

## **FINANCIAL POLICIES FOR THE CITY OF SEATTLE EMERGENCY SUBFUND OF THE GENERAL FUND**

### *Introduction*

The Emergency Subfund 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**

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**Policy 1. Fund Structure.** The City shall continue to maintain in the City Treasury, as a subfund of the General Fund, an Emergency Subfund as described in RCW 35.32A.060 [Ord 117977]

### **Expenditures**

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**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 Subfund 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. [Ord 120489]

**Policy 3. Other expenditures with insufficient or no appropriation.** The City Council by an ordinance approved by three-fourths of all its members may appropriate from the Emergency Subfund an amount sufficient to meet the actual and necessary expenditures of the City for which insufficient or no appropriation have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget. [Ord 120489] Expenditures of this type need not be appropriated from the Emergency Subfund, 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**

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Policy 4. Fund balance requirements. At the beginning of each year, sufficient funds shall be appropriated to the Emergency Subfund 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-Tacoma-Bremerton, WA Consumer Price Index for All Urban Consumers (CPI-U) (as set by the Puget Sound Economic Forecaster or successor, or the State of Washington), and, per state law, shall not exceed thirty-seven and one-half cents per thousand dollars of assessed value. [Revised from Res 28953] The City may also choose to reimburse the Emergency Subfund during the year for any expenditures incurred, by transferring unexpended and unencumbered balances from another City fund or subfund, or from other reimbursements the City may receive. [Res 30379]

### **Planning/Reporting Requirements**

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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 or subfund from which they were appropriated, and the cumulative dollar total for the year. [Res 30379, Revised from Res 27206]