

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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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: AN ORDINANCE relating to the financing of the Finance and Administrative Services Fund; authorizing interfund loans up to a total of \$8,000,000 from the Fleet Capital Fund and \$2,000,000 from the Wheelchair Accessible Fund to the Finance and Administrative Services Fund for financing of FEMA-eligible COVID-19 response expenses.

Summary and background of the Legislation: In 2020 and 2021, the Finance and Administrative Services Fund (50300) incurred significant operating expenses for the City of Seattle’s COVID-19 response. These expenses include but are not limited to the implementation of a centralized warehouse for COVID-19 supplies, purchases of personal protective equipment used by City personnel, and the implementation and operation of the mass vaccination clinic sites at Lumen Field and various other locations in the City. The City expects to be reimbursed for many of these expenditures through multiple funding sources: direct reimbursements from the Federal Emergency Management Agency (FEMA) and indirect FEMA payments through the Public Health – Seattle and King County agency.

At this time, the City anticipates it will take up to 24 months for the City to receive the anticipated reimbursements for eligible COVID-19 expenses. The Finance and Administrative Services Fund requires an interfund loan of up to \$10 million for the period of time that it carries the unreimbursed City-wide expenditures on its balance sheet.

This ordinance grants the Director of Finance, or his designee, the authority to transfer cash to the Finance and Administrative Services Fund from one or more of these designated Lending Funds. The Funds were selected as capable Lending Funds based upon analysis of cash balance histories, fund financial plans, and other considerations. Through the life of the requested interfund loan authority, FAS will closely monitor the balance sheets and income statements of the Lending Funds to ensure that interfund loan obligations do not affect the Fund’s operations or program planning.

The designated Lending Funds are:

- Fleet Capital Fund (50321)
- Wheelchair Accessible Fund (12100)

These Funds will receive the same interest earnings on all cash loaned to the Finance and Administrative Services Fund as they would have earned if the cash had not been loaned. It is estimated that the Finance and Administrative Services Fund will pay approximately \$200,000 in interest charges to the Lending Funds during the life of the interfund loan.

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?

This legislation addresses accounting and audit concerns, but does not affect programs or services funded by the Finance and Administrative Services Fund.

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

Yes. The City would potentially be in conflict with legal accounting and financial reporting requirements.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No.
- b. Is a public hearing required for this legislation?
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.
- d. Does this legislation affect a piece of property?
No.
- e. 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?

None. This legislation addresses accounting and audit requirements but does not impact programs or services funded through the Finance and Administrative Services Fund.

- f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

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: