



Legislation Text

File #: CB 120195, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

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.

WHEREAS, the Department of Finance and Administrative Services used the Finance and Administrative Services Fund to pay for COVID-19 mass vaccine sites expenses, COVID-19 testing centers expenses, and other COVID-19 related expenses that are eligible for FEMA reimbursement; and

WHEREAS, while reimbursement is guaranteed by the federal government, the exact timing of when the City will receive federal funds is not certain due to the scope of the COVID-19 public health emergency and federal review requirements - including a new 'desk audit' implemented by FEMA for state-level spending;" and

WHEREAS, Seattle Municipal Code subsection 5.06.030.C requires City Council approval by ordinance of any interfund loan for a duration of 90 days or more; and

WHEREAS, in the normal course of business the City may temporarily lend cash between funds to maintain required balances; and

WHEREAS, regarding use of the proceeds of this interfund loan for operating costs, the Finance and Budget Directors have determined that there is no viable alternative available for advancing a core City objective; and

WHEREAS, the Director of Finance and the City Budget Director have determined that this interfund loan

request is consistent with the Debt Management Policies adopted by Resolution 31553; and

WHEREAS, there is sufficient cash in the Fleet Capital Fund to support a primary interfund loan of up to \$8,000,000 through December 31, 2023 and still meet regular budgeted operating needs; and

WHEREAS, there is sufficient cash in the Wheelchair Accessible Fund to support a secondary interfund loan of up to \$2,000,000 through December 31, 2023 and still meet regular budgeted operating needs; and

WHEREAS, funds loaned by the Fleet Capital Fund and the Wheelchair Accessible Fund to the Finance and Administrative Services Fund for financing of COVID-19 response expenses are anticipated to be repaid from the FEMA reimbursements; and

WHEREAS, the Debt Management Policy Advisory Committee approved the execution of this interfund loan at its October 2022 meeting; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds that there is no viable alternative to meet a core City objective, and therefore the Director of Finance is authorized to make a revolving loan of up to \$8,000,000 principal and interest outstanding from the Fleet Capital Fund to the Finance and Administrative Services Fund, to provide financing for COVID-19 response expenses. The loan is to be repaid no later than December 31, 2023, with interest on the loan at the rate of return of the City's Consolidated Cash Pool. The entire principal and interest amount of the loan drawn is intended to be repaid with FEMA reimbursements and other FEMA-eligible vaccine costs (Seattle-King County Public Health) funds.

Section 2. The Director of Finance may effectuate the loan authorized in Section 1 of this ordinance by transferring cash from the Fleet Capital Fund to the Finance and Administrative Services Fund, or by carrying the Finance and Administrative Services Fund in a negative cash position, in an amount not to exceed \$8,000,000 until no later than December 31, 2023. The Director of Finance is further authorized to establish, and modify if necessary, from time to time, a repayment plan and schedule.

Section 3. The City Council finds that there is no viable alternative to meet a core City objective, and

therefore the Director of Finance is authorized to make a revolving loan of up to \$2,000,000 principal and interest outstanding from the Wheelchair Accessible Fund to the Finance and Administrative Services Fund, to provide financing for COVID-19 response expenses. The loan is to be repaid no later than December 31, 2023, with interest on the loan at the rate of return of the City's Consolidated Cash Pool. The entire principal and interest amount of the loan drawn is intended to be repaid with FEMA reimbursements and other FEMA-eligible vaccine costs (Seattle-King County Public Health) funds.

Section 4. The Director of Finance may effectuate the loan authorized in Section 3 of this ordinance by transferring cash from the Wheelchair Accessible Fund to the Finance and Administrative Services Fund, or by carrying the Finance and Administrative Services Fund in a negative cash position, in an amount not to exceed \$2,000,000 until no later than December 31, 2023. The Director of Finance is further authorized to establish, and modify if necessary, from time to time, a repayment plan and schedule.

Section 5. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)