

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive 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:** AN ORDINANCE related to the revenue stabilization account; amending Section 5.80.020 of the Seattle Municipal Code.

**Summary and background of the Legislation:**

The City established the Revenue Stabilization Account (RSA) in 1999 to provide the City's General Subfund (GSF) with a cushion in the event of unexpected shortfalls in revenue. The fund provides a reserve that allows time for the City to adjust its operations to the revenue shortfalls and potentially avoid disruption to City services that could result from mid-year budget reductions. In addition, the bond rating agencies look favorably on jurisdictions with healthy rainy day funds and robust rainy day fund policies. High bond ratings result in lower borrowing costs to the City, including City-run utilities.

The RSA is funded through both the automatic annual transfer from the GSF of an amount equal to 0.50 percent of GSF revenues and, after the completion of fiscal year accounting, the an amount equal to 50 percent of the GSF balance, less encumbrances, carryforwards, and planned reserves, that is in excess of the latest revised estimate of the unreserved ending fund balance for the closed fiscal year.

The Seattle Municipal Code provides a maximum permitted RSA balance equal to 5 percent of the forecast value of GSF revenues for the current fiscal year. Any automatic transfer to the RSA that would result in an excess balance shall be reduced or suspended.

The Mayor's Proposed 2016 Budget assumes the transfer of \$2,223,941 from the GSF to the RSA, which would bring the projected ending fund balance for the RSA to \$47,447,245 in 2016. This legislation would suspend the requirements under SMC 5.80.020.B for automatic transfers to the RSA.

**2. CAPITAL IMPROVEMENT PROGRAM**

**This legislation creates, funds, or amends a CIP Project.**  
(If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

**Project Name: Project I.D.: Project Location: Start Date: End Date: Total Cost:**

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### 3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

**This legislation has direct financial implications.** (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the “Other Implications” section.)

**This legislation does not have direct financial implications.**  
 (Please skip to “Other Implications” section at the end of the document and answer questions a-i.)

<b>Budget program(s) affected:</b>				
<b>Estimated \$ Appropriation change:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Estimated \$ Revenue change:</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Other departments affected:</b>				

#### 3.a. Appropriations

**This legislation adds, changes, or deletes appropriations.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

<b>Fund Name and number</b>	<b>Dept</b>	<b>Budget Control Level Name/#*</b>	<b>2015 Appropriation Change</b>	<b>2016 Estimated Appropriation Change</b>
<b>TOTAL</b>				

*\*See budget book to obtain the appropriate Budget Control Level for your department.*  
 (This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes:

#### 3.b. Revenues/Reimbursements

**This legislation adds, changes, or deletes revenues or reimbursements.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
<b>TOTAL</b>				

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?)

Revenue/Reimbursement Notes:

**3.c. Positions**

**This legislation adds, changes, or deletes positions.**  
 (If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

\* List each position separately

(This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.)

Position Notes:

**4. OTHER IMPLICATIONS**

**a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

This legislation would make contributions to the RSA optional in 2016, but would not by itself change appropriations. If no action were taken to contribute to the RSA, approximately \$2.2 million of revenue would remain in the GSF rather than being transferred to the RSA.

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

(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.)

**c) Does this legislation affect any departments besides the originating department?**

(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.)

**d) Is a public hearing required for this legislation?**

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)

**e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)

**f) Does this legislation affect a piece of property?**

(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)

**g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

(If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities.)

**h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

(This answer should highlight measureable outputs and outcomes.)

**i) Other Issues:**

**List attachments/exhibits below:**