

SUMMARY and FISCAL NOTE*

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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 Cumulative Reserve Subfund of the General Fund; and superseding Attachment B to Resolution 31848.

Summary and background of the Legislation: The Cumulative Reserve Subfund policies were last updated in 2018 via Resolution 31848. Periodically updating financial policies are important actions that help assure consistent and rational financial planning and management. At this time, the Mayor and City Council wish to temporarily revise some of these policies to reflect changes in the City’s financial resources.

The City’s previously adopted Real Estate Excise Tax (REET) policies allowed those revenues to be used for paying debt service for Public Safety facilities and for paying debt service on previously issued debt for authorized capital projects per RCW 82.46.010 and 82.46.035.

This resolution expands permitted uses of those revenues to 1) debt service for the repair or replacement of the West Seattle High Bridge and 2) paying debt services on newly issued debt between January 1, 2021 and December 31, 2022 for authorized capital projects per RCW 82.46.010 and 82.46.035. This resolution also establishes debt service coverage limitations on the amount of REET that may be used for the payment debt service.

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?

Without providing for expanded uses of REET, General Fund money will need to cover these expenses, requiring reductions to General Fund expenses elsewhere.

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

Resources will need to be found elsewhere to cover the revenue gap caused by the COVID-19 pandemic and resulting financial slowdown.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?** This legislation revises a financial policies which allows the City to manage resources in a more effective manner. The impact of these policy changes may cross several department lines.
- 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* required for this legislation?** 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?** No Implication
- 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).** N/A

List attachments/exhibits below:

Summary Attachment A – Redline Version of Changes to CRS Financial Policies