

Attachment B

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to the financing of tax administration system improvements in the City Finance Division in the Department of Finance and Administrative Services; authorizing an interfund loan in the amount of \$1,600,000 from the Seattle Information Technology Operating Fund to the General Subfund Fund.

..body

WHEREAS, the City Council adopted Ordinance XXXXXX authorizing an Employee Hours Tax to be implemented and administered by the Department of Finance and Administrative Services effective January 1, 2019 with the first tax payments from taxpayers due on January 31, 2020; and

WHEREAS, certain improvements to current tax administration systems are necessary to implement and administer the Employee Hours Tax prior to revenue collection; and

WHEREAS, the City Council has determined that this interfund loan is consistent with the Debt Management Policies adopted by Resolution 31553; and

WHEREAS, regarding use of the proceeds of this interfund loan for one-time operating costs, the City Council has determined that there is no viable alternative available for advancing a core City objective; and

WHEREAS, there is sufficient cash in the Seattle Information Technology Operating Fund to support a loan of up to \$1,600,000 through the end of 2020;

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 loan of not more than

1 \$1,600,000 of principal outstanding at any one time from the Seattle Information Technology
2 Operating Fund (50410) to the General Subfund Fund (00100).

3 Section 2. The entire principal of the loan, and interest amount calculated at the rate of
4 return on the City's Consolidated (Residual) Cash Pool, authorized in Section 1 of this
5 ordinance, and owed by the General Subfund Fund to the Seattle Information Technology
6 Operating Fund, is intended be repaid no later than December 31, 2020 from the revenue
7 generated from the Employee Hours Tax in Seattle Municipal Code Chapter 5.38.

8 Section 3. The Director of Finance may effectuate the loan authorized in Section 1 of this
9 ordinance by transferring cash from the Seattle Information Technology Operating Fund to the
10 General Subfund Fund until no later than December 31, 2020. The Director of Finance is further
11 authorized to establish, and modify if necessary from time to time, a repayment plan and
12 schedule.

13 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
14 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
15 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

16

1 Passed by the City Council the _____ day of _____, 2017,

2 and signed by me in open session in authentication of its passage this _____ day of

3 _____, 2017.

4 _____

5 President _____ of the City Council

6 Approved by me this _____ day of _____, 2017.

7 _____

8 Tim Burgess, Mayor

9 Filed by me this _____ day of _____, 2017.

10 _____

11 Monica Martinez Simmons, City Clerk

12 (Seal)