

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 119863

AN ORDINANCE authorizing the loan of funds from the Construction and Inspections Fund to the General Fund.

WHEREAS, on November 2, 2015, the Mayor proclaimed a civil emergency to address the homelessness crisis in the City of Seattle; and

WHEREAS, on November 3, 2015, the City Council adopted Resolution 31630, ratifying and confirming the Mayoral Proclamation of Civil Emergency; and

WHEREAS, the civil emergency to address the homelessness crisis is still in effect today; and

WHEREAS, the City imposed a new payroll expense tax through Council Bill 119810 on the largest businesses that will provide new revenues to allow the City to make immediate cash assistance available to those households most impacted by the COVID-19 civil emergency; and

WHEREAS, the City intends to make \$14 million of community and research investments through Amendments 33 and 34 to Council Bill 119825; and

WHEREAS, the City is contemplating a series of cuts and provisos are intended to require the City to lay off 100 sworn officers in 2020; and

WHEREAS, the City intends to maintain a hiring freeze in 2021 and beyond, leading to significant budget savings in 2021 and beyond; and

WHEREAS, the City anticipates repaying the interfund loan principal and interest using 2021 General Fund revenues that are expected to be available from a reduction to the Seattle

1 Police Department's (SPD) budget attributable to laying off 100 sworn officers in 2020
2 and then continuing a hiring freeze through at least the end of 2021; and

3 WHEREAS, in the unlikely event that there are not sufficient 2021 savings from SPD's budget,
4 the City intends to allocate an additional amount from the 2021 City Payroll Tax
5 revenues to fully repay the interfund loan principal and interest; and

6 WHEREAS, regarding use of the proceeds of these interfund loans for an emergency response to
7 the COVID-19 civil emergency, the City Council has determined that there is no viable
8 alternative available for advancing a core City objective during a time of civil
9 emergency; and

10 WHEREAS, there is sufficient cash in the Construction and Inspections Fund to support a loan
11 of up to \$13,114,000 through the end of 2021; and

12 WHEREAS, the City's 2020 Adopted Budget fully appropriates all available municipal
13 revenues to address the many and varied needs of the community; NOW, THEREFORE,

14 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

15 Section 1. The City Council finds and declares that there is no viable alternative to meet a
16 core City objective. The extraordinary circumstances discussed in this section call for an
17 exception to the Debt Management Policies approved by Resolution 31553 as contemplated by
18 the Introduction to the Policies, and therefore the Director of Finance is authorized to make loans
19 as provided for in this ordinance.

1 Section 2. The City Council finds that there is no viable alternative to meet a core City
2 objective, and therefore the Director of Finance is authorized to make a loan of not more than
3 \$13,114,000 of principal and interest outstanding at any one time from the Construction and
4 Inspections Fund (48100) to the General Fund (00100) from which funds may be drawn to pay
5 for the immediate needs resulting from the investments that are authorized by Council Bill
6 119825. This loan is to be repaid no later than December 31, 2021, with interest on the loan at
7 the rate of return of the City’s Consolidated (Residual) Cash Pool.

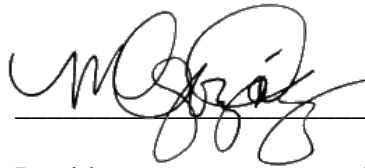
8 Section 3. The entire principal and interest amount of the loan authorized in Section 2 of
9 this ordinance, and owed by the General Fund to the Construction and Inspections Fund, is
10 intended to be repaid no later than December 31, 2021 from the savings in the Seattle Police
11 Department as outlined in Resolution [REDACTED] and (only if for any reason such anticipated
12 savings are not sufficient) from revenue generated from the tax on corporate payroll in Seattle
13 Municipal Code Chapter 5.38.

14 Section 4. The Director of Finance may effectuate the loans authorized in this ordinance
15 by transferring cash to the General Fund until no later than December 31, 2020. The Director of
16 Finance is further authorized to establish, and modify if necessary from time to time, a
17 repayment plan and schedule.

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

21 Passed by the City Council the 12th day of August , 2020,
22 and signed by me in open session in authentication of its passage this 12th day of
23 August , 2020.

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President _____ of the City Council

Disapprove by me this **23rd** day of **August**, 2020.

VETOED BY MAYOR

Jenny A. Durkan, Mayor

Filed by me this **23rd** day of **August**, 2020.



Monica Martinez Simmons, City Clerk

(Seal)