



Legislation Details (With Text)

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On agenda:	11/21/2016				
Final Action:		Ord. No.			
Title:	A RESOLUTION adopting revised financial policies for the Emergency Subfund.				
Sponsors:	Tim Burgess				
Indexes:					
Attachments:	1. Att A – Emergency Subfund Financial Policies, 2. Summary and Fiscal Note, 3. Signed Resolution 31717				

Date	Ver.	Action By	Action	Result
11/28/2016	1	City Clerk	attested by City Clerk	
11/28/2016	1	Mayor	Signed	
11/28/2016	1	Mayor	returned	
11/22/2016	1	City Clerk	submitted for Mayor's signature	
11/21/2016	1	City Council	adopted	Pass
11/16/2016	1	Select Budget Committee	adopt	Pass
11/7/2016	1	City Council	referred	
10/20/2016	1	Council President's Office	sent for review	
10/7/2016	1	City Clerk	sent for review	
9/26/2016	1	Mayor	Mayor's leg transmitted to Council	

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION adopting revised financial policies for the Emergency Subfund.

WHEREAS, the Mayor and City Council are committed to maintaining high standards of financial management; and

WHEREAS, adopting and periodically updating financial policies are important actions that help to ensure consistent and rational financial planning and management; and

WHEREAS, Resolution 30379 establishes financial policies for the General Fund Subfunds including the Emergency Subfund; and

WHEREAS, the City's current policy for funding the Emergency Subfund is the maximum allowed under RCW 35.32A.060 of thirty-seven and one-half cents per thousand dollars of assessed value; and

WHEREAS, the City also maintains a Revenue Stabilization Account, that currently has a balance of \$47,500,000, its highest level ever; and

WHEREAS, the balance in the Emergency Subfund has increased by 35 percent over the last five years and now totals more than \$59,000,000, its highest level ever; and

WHEREAS, assessed property values in the City are projected to escalate more than 17 percent over the next two years and grow at rates that exceed inflation into the future; and

WHEREAS, the City's property tax revenues are statutorily constrained to grow at no more than one percent plus the value of new construction, and thus do not increase at the same rate as assessed values; and

WHEREAS, the City has declared a State of Emergency in response to the current homelessness crisis and is investing an unprecedented level of City resources to address this Crisis; and

WHEREAS, the Mayor and City Council have reviewed the financial policies for the Emergency Subfund and wish to revise and update those policies; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR
CONCURRING, THAT:**

Section 1. The City Council hereby adopts Attachment A to this Resolution as Financial Policies for the Emergency Subfund of the General Fund. The City Council acknowledges and endorses the following changes to those policies, which were last amended by Resolution 30379:

**FINANCIAL POLICIES FOR THE CITY OF SEATTLE
EMERGENCY SUBFUND OF THE GENERAL FUND**

Introduction

The Emergency Subfund is the City's main reserve fund, and is available to pay for unanticipated or unplanned expenditures that occur during the course of the fiscal year. ~~((Prior to this review, there were two accounts in~~

~~the Subfund the Emergency Account and the Supplemental Appropriations Account. The Emergency Account was intended to fund costs associated with emergencies as defined by state law, and the Supplemental Appropriations Account was intended to fund other necessary expenditures that were not anticipated at the time the budget was developed. However, the City concluded that this division of the Subfund frequently created accounting ambiguities and no longer serves any useful purpose. Therefore, these accounts were eliminated via Council Bill 113789.))~~

Fund Structure

Policy 1. Fund Structure. The City shall continue to maintain in the City Treasury, as a subfund of the General Fund, an Emergency Subfund as described in RCW 35.32A.060 [Ord 117977]

Expenditures

Policy 2. Emergency expenditures. By an ordinance approved by three-fourths of all of its members, the City Council may authorize the expenditure of sufficient money from the Emergency Subfund to meet the expenses or obligations:

1. Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act of God, act of the public enemy or any other such happening that could not have been anticipated; or
2. For the immediate preservation of order or public health, or for the restoration to a condition of usefulness of public property the usefulness of which has been destroyed by accident; or
3. In settlement of approved claims for personal injuries or property damages, exclusive of claims arising from the operation of a public utility owned by the city; or
4. To meet mandatory expenditures required by laws enacted since the last budget was adopted. [((

~~Council Bill 113789~~))Ord 120489]

Policy 3. Other expenditures with insufficient or no appropriation. The City Council by an ordinance approved by three-fourths of all its members may appropriate from the Emergency Subfund an amount sufficient to meet the actual and necessary expenditures of the City for which insufficient or no appropriation have been made due to causes which could not reasonably have been foreseen at the time of the making of the budget. [~~(((Council Bill 113789))~~Ord 120489] Expenditures of this type need not be appropriated from the Emergency Subfund, but can be appropriated from other City funds whose purposes are consistent with the intended expenditure, provided sufficient balances are available and provided an ordinance approving the expenditure is passed by three-fourths of all the members of the City Council. [~~(((New Policy))~~Res 30379]

Revenues/Fund Balances

Policy 4. Fund balance requirements. At the beginning of each year, sufficient funds shall be appropriated to the Emergency Subfund so that its balance shall not be less than \$60,000,000 as measured in 2016 dollars and adjusted to current nominal dollars by the Seattle-Tacoma-Bremerton, WA Consumer Price Index for All Urban Consumers (CPI-U) (as set by the Puget Sound Economic Forecaster or successor, or the State of Washington), and, per state law, shall not exceed ((equals)) thirty-seven and one-half cents per thousand dollars of assessed value(~~(, which is the maximum amount allowed by state law)~~). [Revised from Res 28953] The City may also choose to reimburse the Emergency Subfund during the year for any expenditures incurred, by transferring unexpended and unencumbered balances from another City fund or subfund, or from other reimbursements the City may receive. [~~(((New Policy))~~Res 30379]

Planning/Reporting Requirements

Policy 5. Year-to-date appropriations. The City Council will receive with every appropriation request for

emergency or other expenditures with insufficient or no appropriation a list of all such year-to-date appropriations, the fund or subfund from which they were appropriated, and the cumulative dollar total for the year. [Res 30379, Revised from Res 27206]

Adopted by the City Council the _____ day of _____, 2016, and signed by

me in open session in authentication of its adoption this _____ day of _____, 2016.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2016.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2016.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment A - Financial Policies for The City of Seattle Emergency Subfund of the General Fund