

ORDINANCE No.

117641

Law Department

COUNCIL BILL No.

110696

The City of

AN ORDINANCE relating to funds within the City Treasury; amending Seattle Municipal Code, Section 5.06.030; adding certain funds to and deleting certain funds from the list of funds receiving investment apportionments from the City's common investment portfolio; increasing the time period for which the Department of Finance is authorized to approve interfund loans; establishing the carrying of negative balances within a common investment portfolio as a mechanism for making approved interfund loans; and eliminating charges for investment services provided to participants in a common investment portfolio.

Honorable President:

Your Committee on Finance Budget

to which was referred the within Council Bill, report that we have considered the same and

5/17/95 PASS 2-0 (RW, JN)

Full

COMPTROLLER FILE No.

OK

Introduced:	MAY 15 1995	By:	WEEKS
Referred:	MAY 15 1995	To:	FINANCE, BUDGET, MANAGEMENT & PERSONNEL COMMITTEE
Referred:		To:	
Referred:		To:	
Reported:	MAY 22 1995	Second Reading:	MAY 22 1995
Third Reading:	MAY 22 1995	Signed:	MAY 22 1995
Presented to Mayor:	MAY 23 1995	Approved:	MAY 24 1995
Returned to City Clerk:	MAY 24 1995	Published:	Full
Vetoed by Mayor:		Veto Published:	
Passed over Veto:		Veto Sustained:	

The City of Seattle--Legislative Department

REPORT OF COMMITTEE

Date Reported
and Adopted

President:

Committee on Finance Budget Management & Personnel

was referred the within Council Bill No. 110696

that we have considered the same and respectfully recommend that the same:

PASS 2-0 (TW, JN)

Full Council vote 6-0

Committee Chair

ORDINANCE 117641

1
2 AN ORDINANCE relating to funds within the City Treasury; amending Seattle Municipal
3 Code Section 5.06.030; adding certain funds to and deleting certain funds from the
4 list of funds receiving investment apportionments from the City's common
5 investment portfolio; increasing the time period for which the Department of
6 Finance is authorized to approve interfund loans; establishing the carrying of
7 negative balances within a common investment portfolio as a mechanism for
8 making approved interfund loans; and eliminating charges for investment services
9 provided to participants in a common investment portfolio.

10 WHEREAS, to meet administrative and accounting needs of the various City departments,
11 the approved list of funds to receive investment earnings and losses through
12 participation in a common investment portfolio (Consolidated Cash Portfolio, or
13 Pooled Investment Fund) should be altered; and

14 WHEREAS, approved interfund loans within the City's Common Investment Portfolio can
15 be accomplished with greater administrative ease and equity through the carrying of
16 negative balances within an individual fund in a common investment portfolio than
17 with the identification of a particular "lending" fund; and

18 WHEREAS, non-City entities and utilities of the City that are not supported by
19 appropriation from the General Fund are charged an administrative overhead
20 amount that fairly compensates the General Fund for services, including fund
21 management and investment, provided by general governmental agencies within
22 the City's approved budget;

23 NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

24 Section 1. Seattle Municipal Code Section 5.06.030 ((Ordinance 110749, Section 1,
25 (part), as amended by Ordinance 116368)) is further amended as follows:

26 5.06.030 Fund Investments -- Interfund loans.

27 The Finance Director, ((~~in consultation~~)) after consulting with the Chair of the
28 Finance Committee of the City Council, may in his or her discretion:

A. Determine which funds shall be invested on an individual fund basis, and which
funds shall participate with one (1) or more common investment portfolio(s);

B. Apportion earnings and losses to those funds participating in a common
investment portfolio. Those funds listed on Exhibit "A" to this Ordinance ((~~Ordinance~~
~~110749~~)), as that exhibit may be amended from time to time by the Finance Director after
consulting with the Chair of the Finance Committee of the City Council, and trust or bond

1 funds shall receive a return in proportion to the amount of money earned by each; and the
2 remainder shall be allocated to the general fund, as authorized by RCW 35.39.034;

3 C. Approve interfund loans for a duration up to ninety (90) (~~sixty (60)~~) days, and
4 establish a rate of interest thereon when appropriate, provided, any extension or renewal of
5 such a loan shall require approval by ordinance;

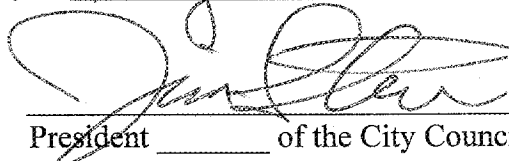
6 D. Establish criteria for identifying when a substantial de facto loan from one (1)
7 fund to another occurs (e.g., an extended delay in making reimbursement without valid
8 cause; a continuous overdrawn status) and, when appropriate, establish an interest charge
9 to be paid to the lending fund; and

10 E. Make loans to individual funds participating in a common investment portfolio
11 by means of carrying funds in a negative cash position for a period of up to ninety (90)
12 days, or for longer periods upon approval by ordinance, to the extent and for as long as (i)
13 such loans can be prudently supported by the common investment portfolio and (ii) the
14 borrowing fund is reasonably expected to be able to repay the loan. The Director of
15 Finance may also charge interest at the common investment portfolio's rate of return to the
16 borrowing fund. (~~Charge to any common investment portfolio an investment fee to defray~~
17 ~~the City's costs and expenses in making investments.))~~
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19 Section 2. Any acts taken prior to the effective date and consistent with the
20 authority of this ordinance are hereby ratified and confirmed.
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1 Section 3. This ordinance shall take effect and be in force thirty (30) days from and
2 after its approval by the Mayor, but if not approved and returned by the Mayor within ten
3 (10) days after presentation, it shall take effect as provided by Seattle Municipal Code,
4 Section 1.04.020.

5 Passed by the City Council the 22 day of May, 1995, and signed
6 by me in authentication of its passage this 22 day of May, 1995.

7
8 
9 President _____ of the City Council

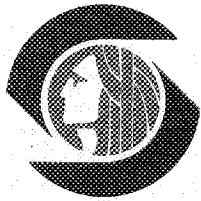
10 Approved by me this 24 day of May, 1995.

11
12 
13 Mayor

14 Filed by me this 24 day of May, 1995.

15
16 
17 Clerk

18 (Seal)
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City of Seattle

Department
of Finance

Dwight D. Dively
Director of Finance

Norman B. Rice
Mayor

RECEIVED OMP
MAY 04 1995

May 3, 1995

The Honorable Jim Street
President, Seattle City Council
600 Fourth Avenue, 11th Floor
Seattle, WA 98104-1891

Via: Mayor's Office
Attention: Tom Tierney, Director, Office of Management and Planning
Subject: Ordinance Relating to Funds Within the City Treasury

Dear President Street:

Attached is a proposed ordinance authorizing the Director of Finance to approve interfund loans for a duration of up to ninety (90) days, as opposed to the current sixty (60) day authorization. This authority is intended to increase the City's financial flexibility. The ordinance would also formally allow such interfund loans to be made using the mechanism of carrying a negative cash position within a given fund, and would establish interest charges for such loans. Finally, the ordinance would update the listing of funds participating in the City's Consolidated (Residual) Cash Portfolio.

These actions are intended to respond to recommendations made by the State Auditor's Office. Upon approval, the City's cash management practices will be much more efficient and will comply with all statutes and regulations.

If you have any questions regarding this matter, please contact me at 684-5212. Your attention to this matter is appreciated.

Sincerely,

Dwight Dively
Finance Director

DDD/AMF/edc

Enclosures: Ordinance
Exhibit A

EXHIBIT A

<u>FUND</u>	<u>ORG</u>	<u>FUNCTION</u>	<u>FUND TITLE</u>
00100	00100		General Fund-Fire Protection
00100	C5311		General Fund
10315	ET015		Waterway Oper. & Maint.
10340	ET040		Arterial City St. Sub. Fund
10420	B2000		Library-Trust & Memorial
10430	B3190		Library-Bunn Projects
11610	QCD10		Cum Res-REET II
11620	QCD10		Cum Res-Maj Maint
11630	QCD10		Cum Res-Reet I
11650	QCD10		Cum Res-Other Unrestr
11670	11670		Cum Res-Rev Stab
16410	HX100		LIH-1986 Housing Levy
16420	HX200		LIH-SHA Maintenance Trust
16430	HX300		LIH-Downtown Housing Replacement
16440	HX400		LIH-Multiyear Housing-Other
16450	HX500		LIH-Growth Related Housing
16460	HX600		LIH-Bonds
16480	HX800		LIH-SCL-Weatherization
16490	HP900		LIH-Home Program
17810	17810		BSO-CDBG-Rental Rehab Program
17820	17820		BSO-CDBG-Special Grants
17830	17830		BSO-UDAGS

17840	17840	BSO-DLF
17850	17850	Education/Development Svc
19810	YUP00	DCD BIA-Pioneer Square Account
19820	YUD00	DCD BIA-Downtown Retail Core
19830	YUB00	DCD BIA-Capitol Hill Account
19840	YUW00	DCD BIA-West Seattle Parking
19850	YUC00	DCD BIA-Central Waterfront
19860	YUC00	LCA BIA-Centrl WF Mktg-Ca
19870	19870	BSO-BIA-Denny Regrade
19880	CU100	DOF-BIA-Chinatown Park
20110	CR201	Gen Bond & Interest Redempt
20120	CL201	Gen Bond & Int - Master Lease
23200	CR232	Consolidated LID No. 2
23300	CR233	Consolidated LID No. 3
23400	CR234	Consolidated LID No. 4
23500	CR235	Consolidated LID No. 5
23600	CR236	Consolidated LID No. 6
23700	CR237	Consolidated LID No. 7
25100	CR251	I/F Notes Payable - LID
29500	CR295	Local Improvement Guaranty
29810	CR298	PDA-Museum Development Fund
31510	EA315	SED TIF-Forward Thrust CIP
31520	EB315	SED TIF-City CIP
32000	32000	BSO-Neighborhood Improvement
32200	SC322	Seattle Center Improvement
32300	AS000	DAS-Health Center Construction

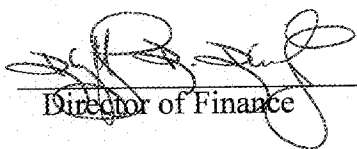
32400	AP000	DAS-Police Precinct Sta Const
32510	ABB00	DAS-Bldg Acq/Cap Improvmt Fund 1
32520	32520	BSO-Bldg Acq/Cap Improvmt Fund 2
32600	32600	BSO-Public Safety Facilities
32600	AJ100	DAS-Fire Apparatus
32600	AJ300	DAS-Emergency Communications
32600	AJ400	DAS-Facilities Account
32620	AKC00	DAS-Emer Communication
32700	EA327	SED-West Seattle Freeway Const
32810	32810	BSO-Westlake Fund
32820	EB328	SED-Westlake Project Fund
32900	AV100	DAS-Computer Aided Dispatch
32900	AV200	DAS-Fleets Account
32900	AV300	DAS-Seismic Improvements
32900	AV400	DAS-Data Processing Equipment
33000	HI330	DCD Low Inc. Eld. Hsg. Dev.
33010	HI330	DHHS-DCD- LIEH Housing Dev
33020	33020	BSO - Housing Dev
33100	KP331	Park Renovation & Improvement
33110	KT311	Shoreline Park Improvement
33120	KU312	Community Improvement Const
33200	33200	BSO-City Facilities Ren & Imp
33320	33320	Zoo Constr Fund - Donation
33400	XX000	OMB-Capital Facilities Projects
33510	KR335	Conservation Futures Fund
33620	33620	Open Spaces/Trails

34010	SC341		Sea Center Redevelopment
34020	KV342		Sea Ctr Redev - CC for Parks
34030	SC343		Sea Ctr Levy-State Grant
34040	SC340		Coliseum Redevelopment
34040	SC34E		Coliseum Redevelopment
41000	000	125500	Parity Fd Cash - 1992 Bds
41000	000	125600	Utility Light Bds Int
41000	000	125940	Parity Fd Cash - 1994 Bds
41000	000	128500	Utility Light Bds Int
41000	000	128600	1993 ML & P Rev Bond
41000	000	128900	Skagit Relic. - Swinomish
41000	000	128910	Skagit Relic. - Sauk
41000	000	128920	Skagit Relic. - Upper Skagit
41000	000	128940	1994 Reserve (City Light)
41000	000	131100	Cash - Light
41000	000	131200	Cash - LDCF General
41000	000	131300	Cash - LDCF ELIAP
41000	000	131940	Cash 94 ML&P Rev Bds
41000	000	131942	Cash 94 ML&P Rev Bds
43000	BS000	A01000	Water Operating Fund
43000	BS393	A54930	Wtr. Sys. Refd'g Rev. Bd. '93
43000	BS593	A55930	Wtr. Sys. Rev. Bd. '93
43000	BS900	A54000	Water Rate Stabilization
44010	ED71P	155710	Sewer Rev Bond 71 Parity
44010	ED71R	156710	Sewer Rev Bond 71 Reserve
44010	ED90C	154901	Drainage/Wstwtr Rev Bd 1990 Const

44010	ED90P	155901	Drainage/Wstwttr Parity Bond-1990
44010	ED90R	156901	Drainage/Wstwttr Rev Bond Res-1990
44010	ED92C	154921	Drainage/Wstwttr Rev Bd 1992 Const
44010	ED92C	155921	Drainage/Wstwttr Parity Bond-1992
44010	ED92C	156921	Drainage/Wstwttr Rev Bond Res-1992
44010	EDB44	101000	Drainage & Waste Water Fund
45010	EG86R	156861	Solid Waste 1986 Res
45010	EGB45	101000	Solid Waste Operating Fund
50310	A1000		DAS-Finance & Admin
50320	A2000		DAS-Fleet Services
50330	A3000		DAS-Facilities Services
50340	A4000		DAS-Data Processing
50350	A5000		DAS-Communications
50360	A6000		DAS-Emergency Management
50370	A7000		DAS-Contracting Services
53100	EE000		BSO-Engineering Services
60100	R1E10		Employees Retirement
60220	R2F20		Fire Pension Actuarial-Admin.
61200	CA612		H. H. Dearborn
61400	CP614		S. L. Denny
61500	KX615		Beach Maintenance
62430	EA624		Gen Trust-Transportation
62450	HT624		Gen Trust-Downtown Health
62470	PT624		Gen Trust-Drug Enforcement
62480	PT625		Gen Trust-Vice Enforcement
62600	VMA00		Municipal Arts Fund

62800	NA628	Group Term Life Ins
63090	63090	Gen Don-BSO-Arts Comm
63090	VDA10	Gen Don-Arts Gift Catalog
63090	VDA20	Gen Don-GEN-General
63100	63100	Gen Don-Comptroller
63100	CD110	Gen Don-Comptroller
63300	63300	Gen Don-BSO-Engineering
63300	EA633	Gen Don-SED Gift Catalog
63502	63502	Gen Don-BSO-School Fire
63502	FD210	Gen Don-School Fire Prevention
63503	63503	Gen Don-BSO Fire CPR
63503	FD310	Gen Don-Fire CPR Training
63504	63504	Gen Don-BSO-Fire Medic I
63504	FD410	Gen Don-Fire Medic 1 Program
63505	63505	Gen Don-Fire Betty Wile Levy
63505	FD510	Gen Don-Fire Betty Wile Levy
63506	FD610	Gen Don-Fire Molly Matthews Mem
63530	63530	Gen Don-BSO Human Resources
63530	HD110	Gen Don-DHS Gift Catalog
63530	HDC60	Gen Don-DHS Comm Service
63530	HDP68	Gen Don-DHS Project Shore
63530	HDT05	Gen Don-DHS-Taylor Bequest
63540	63540	Gen Don-BSO Ofc of Women's Rts
63600	63600	Gen Don-BSO-License & Cons
63720	63720	Gen Don-BSO Parks
63720	KD120	Gen Don-Parks-General Use

63730	63730	Gen Don-BSO Pers
63730	ND110	Gen Don-Pers Gift Catalog
63800	63800	Gen Don-BSO-Police
63800	PD110	Gen Don-Police Gift Catalog
63800	PD210	Gen Don-Police Donations & Gift
63800	PD310	Gen Don-Police-General Use
63800	PD410	Gen Don-Police-Restricted
63810	VDH10	Gen Don-Health Gift Catalog
63850	SD110	Gen Don-Sea Ctr Gift Catalog
64730	64730	Payroll W/H-Combined Charities



Director of Finance_____
Council Finance Committee Chair

MAY 3, 1995

DATE_____
DATE

City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director
Norman B. Rice, Mayor

May 5, 1995

The Honorable Mark Sidran
City Attorney
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING
DEPARTMENT:

Finance

SUBJECT:

AN ORDINANCE relating to funds within the City Treasury; amending Seattle Municipal Code Section 5.06.030; adding certain funds to and deleting certain funds from the list of funds receiving investment apportionments from the City's common investment portfolio; increasing the time period for which the Department of Finance is authorized to approve interfund loans; establishing the carrying of negative balances within a common investment portfolio as a mechanism for making approved interfund loans; and eliminating charges for investment services provided to participants in a common investment portfolio.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Jeanette Martin at 684-8071.

Sincerely,

Norman B. Rice
Mayor

by


Tom Tierney, Director

legis:martin15

Enclosure

cc: Director, Finance



COPY RECEIVED
95 MAY -5 AM 9:33
SEATTLE CITY ATTORNEY

OK
etc
5/8/95

95-146

TIME AND DATE STAMP

SPONSORSHIP

Tom Thibault

_____	_____
_____	_____
_____	_____
_____	_____

FOR CITY COUNCIL PRESIDENT USE ONLY

COMMITTEE(S) REFERRED TO:

PRESIDENT'S SIGNATURE

STATE OF WASHINGTON - KING COUNTY

56151
City of Seattle, City Clerk

—SS.

No. IN FULL

City of Seattle ORDINANCE 117641

AN ORDINANCE relating to funds within the City Treasury; amending Seattle Municipal Code Section 5.06.030; adding certain funds to and deleting certain funds from the list of funds receiving investment apportionments from the City's common investment portfolio; increasing the time period for which the Department of Finance is authorized to approve interfund loans; establishing the carrying of negative balances within a common investment portfolio as a mechanism for making approved interfund loans; and eliminating charges for investment services provided to participants in a common investment portfolio.

WHEREAS, to meet administrative and accounting needs of the various City departments, the approved list of funds to receive investment earnings and losses through participation in a common investment portfolio (Consolidated Cash Portfolio, or Pooled Investment Fund) should be altered; and

WHEREAS, approved interfund loans within the City's Common Investment Portfolio can be accomplished with greater administrative ease and equity through the carrying of negative balances within an individual fund in a common investment portfolio than with the identification of a particular "lending" fund; and

WHEREAS, non-City entities and utilities of the City that are not supported by appropriation from the General Fund are charged an administrative overhead amount that fairly compensates the General Fund for services, including fund management and investment, provided by general governmental agencies within the City's approved budget;

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code Section 5.06.030 ((Ordinance 110749, Section 1, (part), as amended by Ordinance 116368)) is further amended as follows:

5.06.030 Fund Investments-- Interfund loans.

The Finance Director, ((in consultation)) after consulting with the Chair of the Finance Committee of the City Council, may in his or her discretion:

A. Determine which funds shall be invested on an individual fund basis, and which funds shall participate with one (1) or more common investment portfolio(s);

B. Apportion earnings and losses to those funds participating in a common investment portfolio. Those funds listed on Exhibit "A" to this Ordinance ((Ordinance 110749)), as that exhibit may be amended from time to time by the Finance Director after consulting with the Chair of the Finance Committee of the City Council, and trust or bond funds shall receive a return in proportion to the amount of money earned by each; and the remainder shall be allocated to the general fund, as authorized by RCW 35.39.034;

C. Approve interfund loans for a duration up to ninety (90) ((sixty (60))) days, and establish a rate of interest thereon when appropriate, provided, any extension or renewal of such a loan shall require approval by ordinance;

D. Establish criteria for identifying when a substantial de facto loan from one (1) fund to another occurs (e.g., an extended delay in making reimbursement without valid cause; a continuous overdrawn status) and, when appropriate, establish an interest charge to be paid to the lending fund; and

Affidavit of Publication

The undersigned, on oath states that he is an representative of The Daily Journal of Commerce, a paper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months date of publication hereinafter referred to, published in English language continuously as a daily newspaper in Seattle, Washington, and it is now and during all of said time in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce on the 15th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The foregoing publication, in the exact form annexed, was published in regular issue of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The publication was published on June 15, 1941.

117641

and on

1941

Amount of the fee charged for the foregoing publication is \$10.00, which amount has been paid in full.

Subscribed and sworn to before me on

05/31/95

Notary Public for the State of Washington,
residing in Seattle