



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118846

Record No.: CB 118846

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125204

In Control: City Clerk

File Created: 10/31/2016

Final Action: 11/28/2016

**Title:** AN ORDINANCE relating to the Office of City Auditor; adding a new Section 3.40.060 to the Seattle Municipal Code to require that the Auditor produce a biennial financial condition report.

**Notes:**

**Sponsors:** Burgess

**Attachments:**

**Drafter:** patrick.wigren@seattle.gov

**Date**  
**Filed with City Clerk:** 11/22/2016  
**Mayor's Signature:** 11/22/2016  
**Vetoed by Mayor:**  
**Veto Overridden:**  
**Veto Sustained:**

**Filing Requirements/Dept Action:**

**History of Legislative File**

**Legal Notice Published:**

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	11/02/2016	sent for review	Council President's Office			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Council President's Office						
	<b>Notes:</b>						
1	Council President's Office	11/02/2016	sent for review	Select Budget Committee			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Select Budget Committee						
	<b>Notes:</b>						
1	Full Council	11/07/2016	referred	Select Budget Committee			
1	Select Budget Committee	11/16/2016	pass				Pass
	<b>Action Text:</b> The Committee recommends that Full Council pass the Council Bill (CB).						
	<b>Notes:</b>						
	In Favor:	9	Chair Burgess, Member Bagshaw, Member Harrell, Member Herbold, Member Juarez, Member Johnson, Member González, Member O'Brien, Member Sawant				
	Opposed:	0					

1 Full Council 11/21/2016 passed Pass

Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:

In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember  
González , Council President Harrell, Councilmember Herbold,  
Councilmember Johnson, Councilmember Juarez, Councilmember  
O'Brien, Councilmember Sawant

Opposed: 0

1 City Clerk 11/22/2016 submitted for Mayor  
Mayor's signature

1 Mayor 11/28/2016 Signed

1 Mayor 11/28/2016 returned City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk

Notes:

1 City Clerk 11/28/2016 attested by City  
Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

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**CITY OF SEATTLE**

**ORDINANCE**

125204

**COUNCIL BILL**

118846

AN ORDINANCE relating to the Office of City Auditor; adding a new Section 3.40.060 to the Seattle Municipal Code to require that the Auditor produce a biennial financial condition report.

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

Section 1. A new Section 3.40.060 is added to the Seattle Municipal Code as follows:

**3.40.060 Financial condition report**

A. In September, 2017, and September, 2018, and biennially thereafter, the City Auditor shall prepare a citywide financial condition report (the Report) for the City Council. The Report shall provide information to the people of Seattle on the City's financial condition and trends on the financial and economic indicators described in subsection 3.40.060.B.

B. The City Auditor shall endeavor to use the most reliable data available to produce the Report which shall include analysis of the following financial and economic indicators:

1. Revenues, including, but not limited to:

a. Sources of revenue, including, but not limited to, sales tax, property tax, fees, grants and utilities;

b. Revenue per resident;

c. Uses of property tax revenue; and

d. General fund revenue surpluses and shortfalls.

2. Expenditures, including, but not limited to:

a. Expenditures by category (such as public safety, utilities, human services, etc.); and

- b. Expenditures per resident.
4. Debt, including, but not limited to:
  - a. Debt per resident;
  - b. Debt by type (such as bonds or lines of credit);
  - c. City debt backed by the general fund; and
  - d. City debt policies and ratings.
5. Property values (market and assessed values);
6. Employment, including but not limited to:
  - a. Jobs, by industry;
  - b. Unemployment rates;
  - c. Income per resident; and
  - d. Number of City employees by department or office.
9. City pensions and other liabilities, including, but not limited to:
  - a. The employee retirement system; and
  - b. Post-employment benefits.
10. Capital assets, including, but not limited to:
  - a. Infrastructure assets replacement value;
  - b. Infrastructure condition; and
  - c. Funding gap for infrastructure needs.
11. Financial and operating position, including, but not limited to:
  - a. Net position;
  - b. Business net position (utilities);
  - c. Government net position;

- 1 d. Liquidity;
- 2 e. Operating revenue surpluses and shortfalls;
- 3 f. Reserved and unreserved fund balances.
- 4 12. Other indicators and analysis as requested by the City Council.
- 5

Section 2. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 21<sup>st</sup> day of November, 2016,  
and signed by me in open session in authentication of its passage this 21<sup>st</sup> day of  
November, 2016.



President \_\_\_\_\_ of the City Council

Approved by me this 28<sup>th</sup> day of November, 2016.



Edward B. Murray, Mayor

Filed by me this 28<sup>th</sup> day of NOVEMBER, 2016.



Monica Martinez Simmons, City Clerk

(Seal)

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
LEG	Aly Pennucci / 4-8148	n/a

*\* 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:** AN ORDINANCE relating to the Office of City Auditor; adding a new Section 3.40.060 to the Seattle Municipal Code to require that the Auditor produce a biennial financial condition report.

**Summary and background of the Legislation:** The proposed legislation amends Chapter 3.40 of the SMC to require that the City Auditor produce a City of Seattle Financial Condition Report. The report would include the latest data and long-term trends for a range of financial and economic indicators, to better inform budget deliberations and policy making. The Auditor would produce the first report in 2017, and subsequent reports once every two years beginning in 2018. In addition to the regularly featured indicators, Council could request additional analysis of relevant financial and economic issues facing the City.

**2. CAPITAL IMPROVEMENT PROGRAM**

       This legislation creates, funds, or amends a CIP Project.

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

  X   This legislation does not have direct financial implications.

**4. OTHER IMPLICATIONS**

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

No; the work will be carried out using existing City resources.

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

No

- c) **Does this legislation affect any departments besides the originating department?**

Yes, this will add a new requirement to the Office of City Auditor (OCA) to prepare this report on a biennial basis. The majority of the OCA's work is performed in response to specific concerns or requests from City Council members. Because this report will be required by ordinance, the timeline for other requests not mandated by ordinance may be shifted, if necessary, to complete this report.

**d) Is a public hearing required for this legislation?**

No

**e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**g) Does this legislation affect a piece of property?**

No.

**h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

While this legislation does not specifically address RSJI, having a report on the City's financial condition and trends on these financial and economic indicators will provide more detailed information for the public and elected officials about the distribution of resources to inform future decisions.

**i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

n/a

**j) Other Issues:**

**List attachments/exhibits below:** None.