



SEATTLE CITY COUNCIL

Legislative Summary

Res 31717

Record No.: Res 31717 **Type:** Resolution (Res) **Status:** Adopted
Version: 1 **Ord. no:** **In Control:** City Clerk
File Created: 09/14/2016
Final Action: 11/28/2016

Title: A RESOLUTION adopting revised financial policies for the Emergency Subfund.

Notes:	Filed with City Clerk:	Date 11/28/2016
	Mayor's Signature:	11/28/2016
Sponsors: Burgess	Vetoed by Mayor:	
	Veto Overridden:	
	Veto Sustained:	

Attachments: Att A – Emergency Subfund Financial Policies

Drafter: adam.schaefer@seattle.gov

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	Mayor	09/26/2016	Mayor's leg transmitted to Council	City Clerk			
1	City Clerk	10/07/2016	sent for review	Council President's Office			
	Action Text: The Resolution (Res) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	10/20/2016	sent for review	Select Budget Committee			
	Action Text: The Resolution (Res) was sent for review. to the Select Budget Committee						
	Notes:						
1	Full Council	11/07/2016	referred	Select Budget Committee			
1	Select Budget Committee	11/16/2016	adopt				Pass
	Action Text: The Committee recommends that Full Council adopt the Resolution (Res).						
	Notes:						
	In Favor:	9	Chair Burgess, Member Bagshaw, Member Harrell, Member Herbold, Member Juarez, Member Johnson, Member González , Member O'Brien, Member Sawant				
	Opposed:	0					

CITY OF SEATTLE

RESOLUTION 31717

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4 A RESOLUTION adopting revised financial policies for the Emergency Subfund.

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

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

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

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

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

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

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

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

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

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

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

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

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

10 *Introduction*

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13 The Emergency Subfund is the City's main reserve fund, and is available to pay for
14 unanticipated or unplanned expenditures that occur during the course of the fiscal year. ((Prior
15 to this review, there were two accounts in the Subfund the Emergency Account and the
16 Supplemental Appropriations Account. The Emergency Account was intended to fund costs
17 associated with emergencies as defined by state law, and the Supplemental Appropriations
18 Account was intended to fund other necessary expenditures that were not anticipated at the time
19 the budget was developed. However, the City concluded that this division of the Subfund
20 frequently created accounting ambiguities and no longer serves any useful purpose. Therefore,
21 these accounts were eliminated via Council Bill 113789.))

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

1
2 **Expenditures**

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

7 1. Caused by fire, flood, explosion, storm, earthquake, epidemic, riot, insurrection, act
8 of God, act of the public enemy or any other such happening that could not have been
9 anticipated; or

10 2. For the immediate preservation of order or public health, or for the restoration to a
11 condition of usefulness of public property the usefulness of which has been destroyed by
12 accident; or

13 3. In settlement of approved claims for personal injuries or property damages, exclusive
14 of claims arising from the operation of a public utility owned by the city; or

15 4. To meet mandatory expenditures required by laws enacted since the last budget was
16 adopted. [~~(((Council Bill 113789))~~Ord 120489]

17 Policy 3. Other expenditures with insufficient or no appropriation. The City Council by an
18 ordinance approved by three-fourths of all its members may appropriate from the Emergency
19 Subfund an amount sufficient to meet the actual and necessary expenditures of the City for
20 which insufficient or no appropriation have been made due to causes which could not reasonably
21 have been foreseen at the time of the making of the budget. [~~(((Council Bill 113789))~~Ord

1 120489] Expenditures of this type need not be appropriated from the Emergency Subfund, but
2 can be appropriated from other City funds whose purposes are consistent with the intended
3 expenditure, provided sufficient balances are available and provided an ordinance approving the
4 expenditure is passed by three-fourths of all the members of the City Council. [~~(New~~
5 ~~Policy))~~Res 30379]

6 **Revenues/Fund Balances**

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

18 19 **Planning/Reporting Requirements**

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21 Policy 5. Year-to-date appropriations. The City Council will receive with every appropriation
22 request for emergency or other expenditures with insufficient or no appropriation a list of all

1 such year-to-date appropriations, the fund or subfund from which they were appropriated, and
2 the cumulative dollar total for the year. [Res 30379, Revised from Res 27206]

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1 Adopted by the City Council the 21st day of November, 2016,
2 and signed by me in open session in authentication of its adoption this 21st day of
3 November, 2016.

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5 President _____ of the City Council

6 The Mayor concurred the 28th day of November, 2016.

7 

8 Edward B. Murray, Mayor

9 Filed by me this 28th day of NOVEMBER, 2016.

10 

11 Monica Martinez Simmons, City Clerk

12 (Seal)
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21 Attachments:

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23 Attachment A – Financial Policies for The City of Seattle Emergency Subfund of the General
24 Fund

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.

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. [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. [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. [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 thirty-seven and one-half cents per thousand dollars of assessed value. [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. [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]

STATE OF WASHINGTON -- KING COUNTY

--SS.

344225

No. 31717,718,719,720

CITY OF SEATTLE, CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

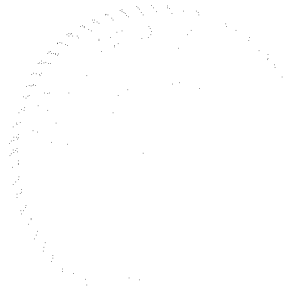
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTIONS

was published on

12/09/16

The amount of the fee charged for the foregoing publication is the sum of \$71.78 which amount has been paid in full.



[Handwritten signature]

Subscribed and sworn to before me on

12/09/2016

[Handwritten signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

Title Only Resolutions

The full text of the following legislation, passed by the City Council on November 21, 2016, and published below by title only, will be mailed upon request, or can be accessed at <https://seattle.legistar.com/Legislation.aspx>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

Resolution 31717

A RESOLUTION adopting revised financial policies for the Emergency Subfund.

Resolution 31718

A RESOLUTION relating to public outreach and engagement; establishing citywide community involvement principles; directing the Department of Neighborhoods to lead City departments in the development of community involvement plans; directing the Seattle Office for Civil Rights to assist City departments with the development of community outreach and engagement efforts that advance racial equity; directing the Office of Immigrant and Refugee Affairs to develop a citywide language access strategy; and superseding Resolution 27709, Resolution 28115, and Resolution 28948.

Resolution 31719

A RESOLUTION endorsing a budget and position modifications for The City of Seattle for 2018.

Resolution 31720

A RESOLUTION establishing a capital project oversight work program for the Budget Committee for 2017.

Date of publication in the Seattle Daily Journal of Commerce, December 9, 2016.

12/9(344225)