



**King County**

**Ron Sims**

King County Executive

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www.metrokc.gov

December 27, 2002

The Honorable Cynthia Sullivan  
Chair, King County Council  
Room 1200  
COURTHOUSE

Dear Councilmember Sullivan:

I have signed Ordinance 14544 adopting the 4<sup>th</sup> Quarter Omnibus Supplemental as passed by the King County Council, with the exception of a partial veto of section 5, line 47, of the ordinance that provides supplemental appropriation of \$600,000.

Section 5 states:

**SECTION 5. Ordinance 14265, section 40, as amended, is hereby amended by adding thereto and inserting therein the following:**

**CX Transfers \$600,000**

**PROVIDED THAT:**

**Of this appropriation, \$600,000 is transferred to the Development and Environmental Services fund. It is the intent of the Council that DDES treat this transfer as a loan, to be paid back by the end of 2003 under the same terms and conditions governing interfund borrowing.**

The apparent intent of this supplemental appropriation is the result of the Council response to motion 2002-0607, passed Monday, Dec. 16th. That motion states it is the Council's intent to provide policy direction to the Executive and DDES regarding the use of interfund borrowing. The Council has demonstrated its commitment to efficient and cost effective services to the customers of DDES and the retention of valuable, well qualified employees of DDES to maintain the appropriate level of service based on projected demand. To address the seasonal and highly cyclical nature of its business, the Council requests the Executive to provide guidance to DDES on established policies and practices governing interfund borrowing.

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KING COUNTY COUNCIL

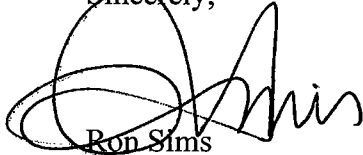


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I intend to fulfill the intent of the Council's motion to provide any needed interfund borrowing to DDES through the established channels. However, the established channels do not require a budget appropriation to achieve interfund borrowing between funds. Interfund borrowing involves the transfer of cash between funds and the collection of interest by the loaning fund and payment of interest by the borrowing fund at the monthly investment pool rate. The appropriation of a CX transfer to DDES is not required to facilitate or support the procedures utilized by the County for interfund borrowing.

In the future I would urge greater collaboration between the Council and Executive in crafting financial solutions to the financial issues of Executive agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Sims", written over a circular stamp or mark.

Ron Sims  
King County Executive

cc: King County Councilmembers  
ATTN: David deCourcy, Chief of Staff  
Shelley Sutton, Policy Staff Director  
Rebecha Cusack, Lead Staff, BFM Committee  
Anne Noris, Clerk of the Council  
Steve Call, Director, Office of Management and Budget  
Stephanie Warden, Director, Department of Development & Environmental Services