



## Legislation Details (With Text)

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**Title:** AN ORDINANCE creating tier one funds for a rainy day reserve fund and a children and families services fund; amending Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 and adding new sections to K.C.C. chapter 4.08.

**Sponsors:** Bob Ferguson, Dow Constantine, Kathy Lambert, Jane Hague, Larry Phillips

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**Attachments:** 1. 15961.pdf, 2. 2007-0529 Rainy Day Reserve COW 10-8-2007 staff report phh.doc

Date	Ver.	Action By	Action	Result
11/13/2007	1	Metropolitan King County Council	Hearing Held	
11/13/2007	1	Metropolitan King County Council	Passed as Amended	Pass
10/8/2007	1	Metropolitan King County Council	Introduced and Referred	
10/8/2007	1	Committee of the Whole	Deferred	

AN ORDINANCE creating tier one funds for a rainy day reserve fund and a children and families services fund; amending Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 and adding new sections to K.C.C. chapter 4.08.

**PREAMBLE:**

WHEREAS, the Metropolitan King County council has a long history of responsible stewardship of the public's money, and;

WHEREAS, the council passed Motion 5888 in December of 1983 which created a number of financial policies including requirement for maintenance of minimum levels of fund balance in the county's current expense fund, and;

WHEREAS, the council passed Motion 7020 in November of 1987 which dedicated a portion of additional sales tax revenues to the creation of a sales tax reserve fund to be used for

financial emergencies, and;

WHEREAS, the council passed Motion 8352 in July of 1991 that reaffirmed its intent that the sales tax reserve fund be used for financial emergencies, and;

WHEREAS, during the budget process to adopt the 1992 budget, the executive's proposed financial plan proposed spending the sales tax reserve funds, and;

WHEREAS, in response, the council passed Motion 8446 in October of 1991 once again affirming its intent that the sales tax reserves only be used in financial emergencies, and;

WHEREAS, these sound financial policies have led the major credit rating agencies to award the county's limited tax general obligation debt with the highest ratings, and;

WHEREAS, the county's general fund includes a number of sub-funds, including the current expense, inmate welfare, children and family set-aside, and sales tax reserve, and;

WHEREAS, these sub-funds do not increase the transparency of county finances and serve only as accounting devices, and;

WHEREAS, the council strongly supports transparent and open government, and;

WHEREAS, the third quarter 2007 management and budget report indicated that the actual amount in the sales tax reserve on December 31, 2006 was \$15,704,186, and;

WHEREAS, the third quarter 2007 management and budget report indicated that the actual amount in the children and families set-aside reserve on December 31, 2006 was \$3,890,503, and;

WHEREAS, with adoption of the 2007 annual budget, the county council created the Financial Policies Advisory Task Force to examine county financial policies, and;

WHEREAS, the Financial Policies Advisory Task Force recommended the creation of a rainy day reserve fund, and;

WHEREAS, the Financial Policies Advisory Task Force also recommended that the

general fund sub-funds be segregated into their own funds,

NOW THEREFORE

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

NEW SECTION. SECTION 1. There is hereby added to K.C.C. chapter 4.08 a new section to read as follows:

A. There is hereby created the Rainy Day Reserve Fund for the purpose of accumulating revenues to be available for emergencies, as defined in subsection B in this section of this ordinance. This fund shall be a first tier fund, fully invested for its own benefit. The director of the office of management and budget shall be the fund manager.

B. The Rainy Day Reserve Fund shall be used in the event of an emergency, as declared by a vote of the County Council for the following purposes:

1. Maintenance of essential county services in the event that current expense fund revenue collections in a given fiscal year are less than ninety-seven percent of adopted estimates.

2. Payment of current expense fund legal settlements or judgments in excess of the county's ability to pay from other sources.

3. Catastrophic losses in excess of the county's other insurances against such losses.

4. Other emergencies, as determined by the council.

NEW SECTION. SECTION 2. There is hereby added to K.C.C. chapter 4.08 a new section to read as follows:

A. There is hereby created the Children and Families Services Fund for the purpose of supporting services throughout the county that support community, family or children's programs. This fund shall be a first tier fund, fully invested for its own benefit. The director of the department of community & human services shall be the fund manager. The policies set forth below shall govern the management of the fund.

B. Revenues currently accruing to the Children & Family set-aside shall now accrue to the Children

and Families Services Fund.

C. Children and family set-aside fund balances as of December 31, 2007 held in the county's general fund shall be transferred to the Children and Families Services Fund.

SECTION 3. Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015 are each hereby amended to read as follows:

A. First tier funds and fund managers are as follows:

<b>Fund No.</b>	<b>Fund Title</b>	<b>Fund Manager</b>
103	County Road	Dept. of Transportation
104	Solid Waste Landfill Post Closure Maintenance	Dept. of Natural Resources and Parks
109	Recorder's O & M	Dept. of Executive Services
111	Enhanced-911 Emergency Tel System	Dept. of Executive Services
112	Mental Health	Dept. of Community and Human Services
114-1	Veterans Services Levy	Dept. of Community and Human Services
114-2	Health and Human Services Levy	Dept. of Community and Human Services
115	Road Improvement Guaranty	Dept. of Transportation
117	Arts and Cultural Development	Dept. of Executive Services
119	Emergency Medical Services	Dept. of Public Health
121	Surface Water Management	Dept. of Natural Resources and Parks
122	Automated Fingerprint Identification System	Dept. of Public Safety
128	Local Hazardous Waste	Dept. of Public Health
129	Youth Sports Facilities Grant	Dept. of Natural Resources and Parks
131	Noxious weed control fund	Dept. of Natural Resources and Parks
134	Development and Environmental Services	Dept. of Development and Environmental Services
137	Clark Contract Administration	Office of Management and Budget
138	Parks Trust and Contribution	Dept. of Natural Resources and Parks
139	Risk Abatement	Office of Management and Budget
145	Parks and Recreation	Dept. of Natural Resources and Parks
164	Two-Tenths Sales Tax Revenue Receiving	Dept. of Transportation
165	Public Transit Self Insurance	Dept. of Transportation
215	Grants tier 1 fund	Dept. of Executive Services
216	Cultural Resource Mitigation Fund	Office of Business Relations & Economic Development
309	Neighborhood Parks and Open Space	Dept. of Executive Services
312	HMC Long Range CIP	Dept. of Executive Services
315	Conservation Futures	Dept. of Natural Resources and Parks
316	Parks, Rec. and Open Space	Dept. of Executive Services
318	Surface and Storm Water Mgmt Const	Dept. of Natural Resources and Parks
320	Public Art Fund	Dept. of Executive Services

322	Housing Opportunity Acquisition	Dept. of Community and Human Services
326	1990 Series B Youth Detention Facility	Dept. of Executive Services
327	Equipment and Building Acquisition	Dept. of Executive Services
329	SWM CIP Construction 1992-1997	Dept. of Natural Resources and Parks
331	Long-Term Leases	Dept. of Executive Services
334	Capital Acqn and County Fac Renovation	Office of Management and Budget
335	Youth Services Facilities Construction	Dept. of Executive Services
338	Airport Construction	Dept. of Transportation
339	Working Forest 1995 B	Dept. of Natural Resources and Parks
340	Park Lands Acquisition 1993	Dept. of Natural Resources and Parks
340-3	Urban Reforestation and Habitat Restoration	Dept. of Natural Resources and Parks
341	Arts and Historic Preservation Capital	Dept. of Executive Services
342	Major Maintenance Reserve	Dept. of Executive Services
343	Core GIS Capital Project	Dept. of Natural Resources and Parks
346	Regional Justice Center Construction	Dept. of Executive Services
347	Emergency Communications System	Dept. of Executive Services
349	Parks Facilities Rehabilitation	Dept. of Executive Services
350	Open Space Acquisition	Dept. of Natural Resources and Parks
364-3	Transit Cross-Border Lease Financing Fund	Dept. of Executive Services
369	Transfer of Development Credits Program (TDC) Fund	Dept. of Natural Resources Parks
377-1	OIRM Capital Fund	Office of Information Resource Management
378	Information and Telecommunications Capital Improvement Fund	Dept. of Executive Services
381	Solid Waste Cap Equip Recovery	Dept. of Natural Resources and Parks
383	Solid Waste Environmental Reserve	Dept. of Natural Resources and Parks
384	Farmland and Open Space Acquisition	Dept. of Natural Resources and Parks
385	Renton Maintenance Fac. Const	Dept. of Transportation
386	County Road Construction	Dept. of Transportation
387	HMC Construction	Dept. of Executive Services
390	Solid Waste Construction	Dept. of Natural Resources and Parks
391	Landfill Reserve	Dept. of Natural Resources and Parks
394	Kingdome CIP	Dept. of Executive Services
395	Building Capital Improvement	Dept. of Executive Services
396	HMC Building Repair and Replacement	Dept. of Executive Services
404	Solid Waste Operating	Dept. of Natural Resources and Parks
429	Airport Operating	Dept. of Transportation
448	Stadium Management	Dept. of Executive Services
453-1	Institutional Network Operating Fund	Dept. of Executive Services
461	Water Quality	Dept. of Natural Resources and Parks
464	Public Transportation	Dept. of Transportation
542	Safety and Workers' Compensation	Dept. of Executive Services
544	Wastewater Equipment Rental and Revolving Fund	Dept. of Transportation

<u>REVENUE FUNDS</u>		
546	Department of Executive Service Equipment Replacement	Dept. of Executive Services
547	Office of Information Resource Management Operating Fund	Dept. of Executive Services
550	Employee Benefits Program	Dept. of Executive Services
551	Facilities Management	Dept. of Executive Services
552	Insurance	Dept. of Executive Services
557	Public Works Equipment Rental	Dept. of Transportation
558	Motor Pool Equipment Rental	Dept. of Transportation
560	Printing/Graphic Arts Services	Dept. of Executive Services
603	Cultural Resources Endowment	Dept. of Executive Services
622	Judicial Administration Trust and Agency	Dept. of Judicial Administration
624	School District Impact Fee	Office of Management and Budget
674	Refunded Ltd GO Bond Rdmp.	Dept. of Executive Services
675	Refunded Unltd GO Bond	Dept. of Executive Services
676	H&CD Escrow	Dept. of Executive Services
693	Deferred Compensation	Dept. of Executive Services
694	Employee Charitable Campaign Contributions	Dept. of Executive Services
696	Mitigation Payment System	Dept. of Transportation
843	DMS Limited GO Bonds	Dept. of Executive Services
890	ULID Assessment - 1981	Dept. of Transportation
<u>XXX</u>	<u>Rainy Day Reserve</u>	<u>Office of Management and Budget</u>
<u>XXX</u>	<u>Children and Families Services</u>	<u>Department of Community &amp; Human Services</u>
1010	Climate Exchange Fund	Office of Management and Budget

B. The following shall also be first tier funds:

1. All funds now or hereafter established by ordinance for capital construction through specific road improvement districts, utility local improvement districts or local improvement districts. The director of the department of transportation shall be the fund manager for transportation-related funds. The director of the department of natural resources and parks shall be the fund manager for utility-related funds.

2. All county funds that receive original proceeds of borrowings made under Chapter 216, Washington Laws of 1982, as now existing or hereafter amended, to the extent of the amounts then outstanding for the borrowings for that fund. For purposes of this subsection, the director of the county department or office primarily responsible for expenditures from that fund shall be the fund manager.

3. Any other fund as the council may hereinafter prescribe by ordinance to be

invested for its own benefit. County funds shall be treated as provided in K.C.C. 4.10.110 unless a designation is made by the council.