



## Legislation Text

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Clerk 12/03/2009

AN ORDINANCE establishing the credit protection fund, including renaming the rainy day reserve fund as such; making technical corrections; and amending Ordinance 15961, Section 1, and K.C.C. 4.08.056 and Ordinance 12076, Section 9, as amended, and K.C.C. 4.08.015.

### PREAMBLE:

The metropolitan King County council has a long history of responsible stewardship of the public's money.

The council passed Motion 5888 in December 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.

The council passed Motion 7020 in November 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.

The council passed Motion 8352 in July 1991, which reaffirmed the council's intent that the sales tax reserve fund be used for financial emergencies.

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

With adoption of the 2007 Budget Ordinance, Ordinance 15652, the council created the financial policies advisory task force to examine county financial policies.

The financial policies advisory task force recommended the creation of a rainy day reserve fund.

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.

The county council intends that maintenance of an exceptional credit rating is of the utmost importance during these difficult economic times,

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 15961, Section 1, and K.C.C. 4.08.056 are each hereby amended to read as follows:

A. There is hereby created the ~~((rainy day reserve))~~ credit protection fund for the purpose of accumulating reserves necessary to protect the county's long-term general obligation bond rating and accumulating ~~((revenues))~~ reserves to be available for emergencies, as defined in subsection ~~((B-))~~ C. of this section. 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 primary use of the credit protection fund is to provide for accumulation of cash balances to support the maintenance of the county's long-term general obligation bond rating.

C. Expenditures from ~~((F))~~the ~~((rainy day reserve))~~ credit protection fund shall only be used in the event of an emergency, as declared by a vote of the ~~((C))~~county ~~((C))~~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-))~~ 2. Catastrophic losses in excess of the county's other insurances against such losses ~~((-))~~; and

~~((4-))~~ 3. Other emergencies, as determined by the council.

SECTION 2. 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
106	Veteran's Relief	Dept. of Community and Human Services
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
113-5	Mental Illness and Drug Dependency	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
124	Citizen Councilor Revolving	Auditor
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
156-1	KC Flood Control Operating Contract	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

357-1	KC Flood Control Capital Contract	Dept. of Natural Resources and Parks
358	Parks Capital Fund	Dept. of Natural Resources and Parks
364-3	Transit Cross-Border Lease Financing Fund	Dept. of Executive Services
368	Real Estate Excise Tax Capital Summary 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

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
840	Limited GO Bond Redemption	Dept. of Executive Services
843	DMS Limited GO Bonds	Dept. of Executive Services
851	Stadium GO Bond Redemption	Dept. of Executive Services
890	ULID Assessment - 1981	Dept. of Transportation
1010	Climate Exchange Fund	Office of Management and Budget
1411	<del>((Rainy Day Reserve))</del> <u>Credit Protection</u>	Office of Management and Budget
1421	Children and Families Services	Dept. of Community and Human Services
1590	Marine Division Operating Fund	Dept. of Transportation
3590	Marine Division Capital Fund	Dept. of Transportation

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.