

AGENDA

EXECUTIVE FINANCE COMMITTEE

December 3, 2020 at 2:00 P.M.

Location: [Skype Meeting: 206-263-8114](#), [Conference ID 756261#](#)

Committee Members: Councilmember Jeanne Kohl-Welles, Chair; Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Carol Basile, Treasury Manager; Mike Smith, Chief Investment Officer; Christine Denis, Portfolio Manager; Eben Sutton, FAU Supervisor

AGENDA ITEMS

1. **Briefing:** U.S. Bank Community Reinvestment Act Performance for King County (Handout)
Nicole R. Bascomb-Green, Vice President, Community Affairs Manager WA/ID, U.S. Bank
2. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approve the request from the King County Facilities Management Division Long-term Lease Fund 3310 to borrow up to \$15 million through September 30, 2021. This loan will be repaid from CARES ACT and FEMA grants. – Page 2
Hanh Mai, Finance & Administrative Services Manager, FMD
3. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approve the request from the King County Facilities Management Division Internal Services Fund 5511 to borrow up to \$15 million through September 30, 2021. This loan will be repaid from CARES ACT and FEMA grants. – Page 5
Hanh Mai, Finance & Administrative Services Manager, FMD
4. **Action:** Designate lending fund(s) for interfund loans where a lending fund has not been designated. – Page 6
Cheryl Lee, Chief Accountant

OTHER BUSINESS

ADJOURNMENT



King County

Facilities Management Division

Anthony Wright, Division Director

Department of Executive Services

500 Fourth Avenue, Room 800

Seattle, WA 98104

Phone: (206) 477-9352

Fax: (206) 205-5070

November 30, 2020

TO: Mike Smith, Chief Investment Officer, Finance & Business Operations Division

FM: Anthony Wright, Division Director, Facilities Management Division

RE: Request for Executive Finance Committee Approval for Inter-fund Borrowing

The purpose of this memorandum is to request the Executive Finance Committee’s approval of an interfund loan of \$15,000,000 each to the Long -Term Lease Fund 3310, and of \$15,000,000 for the COVID-19 Response Project incurred expenditures while pending for receipt of reimbursements from CARES ACT and FEMA grants.

This borrowing is estimated to be needed starting on December 1st, 2020 through September 30, 2021. This interfund borrowing will allow fund 3310 and fund 5511 to hold over until the reimbursements are received from the federal grants. Below is the summary of the calculations and the projected interfund borrowing amounts.

Facilities Management Division Interfund Borrowing Request Summary		
	Fund 3310	Fund 5511
Cash balance without CRF loan as of 11/20/20	(12,900,493)	1,747,135
CRF loan received (8/1/20)	5,986,052	-
Cash balance with CRF as of 11/20/20	(6,914,441)	1,747,135
+ Revenue from FEMA/CRF		
- December 2020 Est. Expenditures	(2,000,000)	(13,288,000)
Project CB as of 12/31/20	(8,914,441)	(11,540,865)
Return CRF Loan	(5,986,052)	
Est. Cash Balance as 12/31/20	(14,900,493)	(11,540,865)
Borrow CRF Loan Request	15,000,000	15,000,000

I appreciate your consideration of this request. Please feel free to contact Hanh Mai, Finance & Administrative Services Manager, FMD, at (206) 477-9377 if you have any questions or need additional information.

cc: Aaron Bert, Deputy Director Operations, FMD
Eci Ameh, Deputy Director Strategy, FMD
Hanh Mai, Finance & Administrative Services Manager, FMD
Sid Bender, Executive Analyst, PSB



COUNTY FUND APPLICATION FOR INTERFUND LOAN

COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: Long Term Lease Fund /000003310

Fund Manager: Hanh Mai

Fund Manager Title: Finance Manager

Contact name (if different): Carolyn Mock

Contact title: Business & Finance Officer

Phone: 206- 477-9381

Fax:

BORROWING REQUEST DETAILS

Fund name: FMD Long-Term Lease

Fund number: 000003310

Term of loan requested (projected start and end date): December 1, 2020 – September 30, 2021

Is this a new loan request or a request to modify an existing loan? New

Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes No If "Yes", list the name of the reviewer: Sid Bender

If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B

PART A

Provide both the fund name(s) and fund number(s) of the lending fund(s).

Who has determined whether the lending fund(s) designated above is legally able to finance this loan?

PART B

For "Automated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan : \$15,000,000

ADDITIONAL INFORMATION

Why is this borrowing necessary? To address the projected negative cash balance due to timing of reimbursement received from federal grants CARES ACT and FEMA.

What will be the source of the funds to repay the interfund loan? Federal grants FEMA and CARES ACT

If the interfund loan involves a project that is or will be related to a bond issue, has this interfund loan proposal been reviewed by the Treasury Operations Compliance Officer? Yes No Not bond issue. Nigel Lewis

FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name: Hanh Mai

Title: Finance & Administrative Services Manager

Date: November 30, 2020

Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period. See attached table

Interfund loan approved? Yes
No

Date Approved/Denied:

Loan interest rate:

Maximum interfund loan amount approved \$

Repayment date:

Other special loan terms or comments:



COUNTY FUND APPLICATION FOR INTERFUND LOAN

COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: FMD Internal Service Fund /000005511

Fund Manager: Hanh Mai

Fund Manager Title: Finance & Administrative Services Manager

Contact name (if different):

Contact title:

Phone: 206- 477-9377

Fax:

BORROWING REQUEST DETAILS

Fund name: FMD Internal Services Fund

Fund number: 000005511

Term of loan requested (projected start and end date): December 1, 2020 – September 30, 2021

Is this a new loan request or a request to modify an existing loan? New

Has this loan request been reviewed by Office of Performance, Strategy and Budget? Yes No If "Yes", list the name of the reviewer: Sid Bender

If this a "Funds Transfer Loan" as defined in Section 5.9 of the County's Interfund Loan Policy complete Part A. otherwise complete Part B

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FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name:

Title:

Date:

Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period.

Interfund loan approved? Yes No

Date Approved/Denied:

Loan interest rate:

Maximum interfund loan amount approved \$

Repayment date:

Other special loan terms or comments:

 **King County**
Finance & Business
Operations Division

Department of Executive Services
Chinook Building, CNK-ES-0300
401 Fifth Avenue
Seattle, WA 98104
(206) 263-9258
(206) 263-7670 Fax
www.kingcounty.gov

November 30, 2020

To: Executive Finance Committee

From: Cheryl Lee, Chief Accountant

DocuSigned by:



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Subject: 2020 Fiscal Year-End Interfund Loans – Lending Fund Identification

At the end of each year, County funds with a cash deficit must have a documented “overnight” loan from 12/31 of the year being reported to 1/1 of the following year for compliance with the State Auditor’s BARS Manual and section 43.09.200 Revised Code of Washington (RCW). This loan replaces the use of surplus County cash which occurs at all other times of the year. Loans between County funds must be approved by the Executive Finance Committee under section 4.24.010 King County Code (KCC).

At November 15, 2020 County funds with negative cash balances required \$96 million in loans. To meet this need, I recommend designation of the Safety and Workers’ Compensation fund as the lending fund for all loans of surplus County cash as of December 31, 2020. The cash balance of the Safety and Workers’ Compensation fund at the end of the October fiscal period was \$115 million and at November 15, 2020 was also \$115 million. The loans will be recorded as adjustments in the County’s financial statements prepared as of December 31, 2020 and will have no impact upon the collection and distribution of interest, which will occur as normal and as described in section 4.10 KCC. If the EFC would like to designate a lending fund other than the one recommended, members will find a listing of funds with cash balances in excess of \$10 million attached.

Thank you for your consideration.

Attachment

Year End EFC Cash Memo Query

Fund Name	Balance Amount	
	OCT-2020	NOV-2020
000004641 - PUBLIC TRANSPORTATION OP	332,681,609.62	298,568,673.45
000004643 - PUBLIC TRANS REVENUE STABILIZATION	270,219,258.73	270,219,258.73
000003611 - WATER QUALITY CONST-UNRES	273,813,468.02	266,217,092.19
000003641 - PUBLIC TRANS CONST-UNREST	267,116,943.72	262,386,069.21
000004611 - WATER QUALITY OPERATING	196,355,487.60	223,475,095.88
000002141 - GRANTS SUBFUND COVID-19	216,804,048.32	215,577,517.06
000003642 - PUBLIC TRANS REVENUE FLEET CAPITAL	198,022,744.63	198,006,939.71
000005500 - EMPLOYEE BENEFITS PROGRAM	159,361,961.54	142,181,715.41
000008921 - WASTEWATER REVENUE BOND RESERVES	121,763,394.36	121,849,501.61
000005420 - SAFETY & WORKERS' COMP	115,328,175.84	114,635,274.01
000003581 - PARKS CAPITAL FUND	69,228,719.79	92,748,107.53
000008920 - WATER QUALITY REV BOND	88,976,834.82	88,759,866.19
000000010 - CURRENT EXPENSE SUB-FUND	38,545,890.58	78,898,213.24
000001190 - EMERGENCY MEDICAL SERVICE	72,385,486.90	77,982,248.33
000005520 - INSURANCE	72,379,521.15	75,392,064.12
000004040 - SOLID WASTE OPERATING	51,053,411.59	52,328,099.29
000003910 - LANDFILL RESERVE FUND	48,907,027.77	48,743,567.62
000001480 - BEST STARTS FOR KIDS LEVY	58,556,151.70	45,848,615.98
000002460 - FED HOUSNG & COMM DEV FND	46,194,003.75	41,557,632.28
000001143 - VETERANS SENIORS & HUMAN SERVICES LEVY	37,426,868.04	38,610,724.98
000001030 - COUNTY ROAD FUND	30,249,289.50	33,629,215.79
000004290 - AIRPORT	32,956,873.72	32,027,902.63
000008430 - PUBLIC TRANSPORTATION BONDS	31,095,846.51	31,095,096.51
000001220 - AUTO FINGERPRINT IDENT FD	29,473,855.27	30,803,134.20
000001110 - EMERGENCY TELEPHONE E911	31,032,790.40	30,398,736.20
000001451 - PARKS OPERATING LEVY	9,510,901.76	28,168,492.14
000003643 - TRANSIT CONSTR 2020 LTGO BOND		27,000,000.00
000001411 - RAINY DAY RESERVE FUND	26,472,815.05	26,472,815.05
000003161 - PARKS BOND 3160 SUB	24,446,608.21	24,446,608.21
000003151 - CONSERV FUTURES SUB-FUND	22,978,335.38	24,358,203.21
000003361 - PUGET SOUND EMERGENCY RADIO NETWORK CAPITAL	26,927,337.42	23,984,559.88
000003673 - CRITICAL AREAS MITIGATION	23,333,663.29	23,462,813.38
000005580 - MOTOR POOL EQUIP RENTAL	23,833,396.02	23,138,581.21
00000395A - 2020 LTGO SERIES A - FMD		23,000,000.00
000003855 - COUNTY ROAD MAJOR MAINTENANCE FUND	24,587,743.33	22,825,499.88
000003682 - REAL ESTATE EXCISE TX 2	22,266,467.68	22,266,467.68
000003421 - MJR MNTNCE RSRV SUB-FUND	21,895,910.37	20,393,608.92
000003681 - REAL ESTATE EXCISE TX CAP	20,166,938.82	20,166,938.82
000003292 - SWM CIP NON-BOND SUBFUND	19,129,444.55	18,795,946.75
000001211 - SURFACE WATER MGT FUND	19,041,854.58	18,712,332.85
000005441 - WWTR EQ RNT&RVLVG FD	18,644,824.36	18,594,426.90
000003810 - SW CAP EQUIP REPLACEMENT	18,201,777.60	18,061,202.39
000001850 - ENVIRONMENTAL HEALTH FUND	18,329,551.34	17,751,252.94
000005490 - BUSINESS RESOURCE CENTER	16,384,848.51	17,680,925.21
000001280 - LOCAL HAZARDOUS WASTE FD	17,225,499.07	17,197,192.08
000003777 - 2019B LTGO BOND SUB FUND - KCIT	16,486,790.24	16,486,790.24
000003691 - TRNSF OF DEV CREDIT PROG	16,264,212.16	16,260,608.01
000008500 - UNLIMITED G O BOND REDEMP	13,338,967.67	14,469,932.70
000003154 - GO BONDS CONSERVATION SUBFUND		13,800,000.00
000008922 - WASTEWATER STATE LOAN RESERVES	13,665,839.74	13,665,839.74
000005450 - FINANCE & BUS OPERATIONS	14,103,093.54	12,931,266.32
000004501 - RADIO COMM OPRNG FND	12,594,032.71	12,597,544.49
000003380 - AIRPORT CONSTRUCTION	12,438,242.01	12,051,619.35

Fund Name	Balance Amount	
	OCT-2020	NOV-2020
000008400 - LIMITED G O BOND REDEMPT	11,634,641.06	10,773,013.92
000001800 - PUBLIC HEALTH	2,208,163.43	10,192,624.91