

**AGENDA**  
**EXECUTIVE FINANCE COMMITTEE**

May 27, 2021 at 11:00 A.M.

**Location:** Teams Meeting: 425-653-6586, Conference ID 314 484 093#

***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. **Action:** Approval of Minutes of the April 22, 2021 EFC meetings – *Page 2*
2. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approval of the loan to the King County DCHS Administration Fund 1080 to borrow up to \$5 million through September 30, 2021. This loan will be repaid from FEMA reimbursements. – *Page 3*  
*Stephen Andryszewski, Chief Financial Officer*
3. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approve the request from the King County Public Health Fund 1800 to borrow up to \$60 million through June 30, 2022. This loan will be repaid from Federal and State sources. – *Page 5*  
*Yinka Otusanya, Interim Chief Financial Officer*
4. **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 increase the amount on an existing loan from \$15 million to \$30 million and to increase the term from September 30, 2021 to December 31, 2021. This loan will be repaid from ARPA and FEMA grants. – *Page 8*  
*Hanh Mai, Finance & Administrative Services Manager, FMD*

**OTHER BUSINESS**

**ADJOURNMENT**

**Draft Summary**  
**EXECUTIVE FINANCE COMMITTEE (EFC)**  
**April 22, 2021**

The EFC Meeting was held by Teams on April 22, 2021 at 2:00 and adjourned at 2:45 p.m.

**Members Present**

Dwight Dively  
Caroline Whalen  
Ken Guy  
Adam Cooper (For  
Jeanne Kohl-Welles)

**Others Present**

Andrew Kim  
John Molloy, PFM  
Chris McGowan  
Cheryl Lee  
Brandi Vena  
Steve Hamilton, IPAC, NUD

**Others Present -  
Continued**

Carol Basile  
Mike Smith  
Jenifer Merkel  
David Reich  
Evalyne Onyoni

**Members Absent**

Jeanne Kohl-Welles

**ACTION ITEMS**

1. **Minutes** – The Committee voted unanimously to approve the Minutes of the January 28, 2021 Executive Finance Committee meetings.

**BRIEFINGS**

1. **Quarterly Review of Investment Pool** – John Molloy of PFM presented the 1st quarter review of the King County Investment Pool. In his recap of market conditions, he pointed out items that were promoting economic growth such as the vaccination program ramping up, the American Rescue Plan Act, a rising stock market, and Federal Reserve policies that kept interest rates near zero.

He then summarized the operation of the investment pool by stating it was well run, had good diversification, had very high credit quality, and then noted it also was in compliance with all policies. He then reviewed each of the market sectors that the pool is invested in. He observed that the percentage of Treasury securities had decreased from last year, while agency and supranational holdings increased. He thought that the increase in supranational made good sense because these securities have a higher credit rating than Treasury securities, plus they trade at a higher yield. He then concluded by saying that the County's investment team's actions were sensitive to market conditions, they were investing in securities that held good value, and that the changes made in the portfolio made sense to PFM.

2. **Investment Pool Performance and Balance Trends** – The Committee was informed that the pool yielded 0.83% in March and that the average pool balance was \$7.4 billion, which was \$400 million higher than it was last year. The Committee was also advised that the pool's yield was above current market rates for short-term securities. This means that the pool's future yield is likely to trend lower. In comparison to its custom benchmark, the pool's performance looks very good since it was 71 basis points greater than the index's yield.

The Committee was briefed on the transactions for March. New purchases were made in commercial paper and in the Local Government Investment Pool (LGIP). In addition, two securities were called before maturity, one of the calls resulted in a \$225,000 gain. The Committee was also told that the LGIP was one of the highest yielding short-term invests currently available


This comment generated a question from Ken Guy about the status of legislation in Washington State legislature that might impact the operations of the LGIP. Mike Smith responded that he had no new information on the progress of this legislation. Dwight Dively volunteered to check on the status of this legislation (sometimes referred to as the "public bank" legislation) at his upcoming meeting with the county's legislative lobbyist.

3. **Interfund Borrowing** – The Committee was provided a review of County funds using interfund loans during March. Dwight Dively requested he be informed by email when the negative balances in Items "B1" and "B2" were resolved. The Committee was then informed that there were no unusual items present on the Non-County borrowing report and that all approved interfund loans were in compliance with their terms.

**OTHER BUSINESS**

As a follow up to Other Business from the January 28, 2021 meeting, the Committee was informed that the PAO had determined that Eastside Fire's incorporation as a nonprofit would not alter the County's relationship with the district.

## APPENDIX III – COUNTY FUND APPLICATION FORM

 <b>King County</b> <b>COUNTY FUND APPLICATION FOR INTERFUND LOAN</b>		
COUNTY FUND MANAGER CONTACT INFORMATION		
Fund name and number: 1080 DCHS Administration		
Fund Manager: Stephen Andryszewski		Fund Manager Title: Chief Financial Officer
Contact name (if different): Kevin Lo		Contact title: Budget and Reporting Manager
Phone:	Fax:	
BORROWING REQUEST DETAILS		
Fund name: DCHS Administration		Fund number: 1080
Term of loan requested (projected start and end date): May - September 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 <input checked="" type="checkbox"/> No <input type="checkbox"/> If "Yes", list the name of the reviewer:		
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 : <del>\$100,000</del> <b>\$5,000,000</b>		
ADDITIONAL INFORMATION		
<u>Why is this borrowing necessary?</u> DCHS is responsible for temporary management of operations for the Auburn and Kent Vaccination locations. The primary funding source for expenses associated with these sites is FEMA reimbursement through a Public Health contract with the Washington State Department of Health (DOH). King County is allowed to bill the DOH once a month and advances are not allowable. As such, DCHS needs to pay KC salaries as well as other operational expenses before cash is reimbursed by DOC. This billing process is causing the cash deficit in the DCHS Administration fund.		
<u>What will be the source of the funds to repay the interfund loan?</u> FEMA reimbursement thorough a Public health contract with DOH.		
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>		
FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)		
Signature: <b>Steve Andryszewski</b> <small>Digitally signed by Steve Andryszewski Date: 2021.05.25 11:27:52 -07'00'</small>		
Print Name: Stephen Andryszewski		
Title: Chief Financial Officer		
Date: May 3, 2021		
<b>Please include with this application a cash flow forecast showing the fund's cash needs over the expected borrowing period.</b>		
Interfund loan approved? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date Approved/Denied:	Loan interest rate:
Maximum interfund loan amount approved \$		Repayment date:

2021 Cash Flow analysis  
DCHS Administration / 000001080

Category	2021 YTD Actuals (Thru March)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2021
Beginning Cash Position	913,467	(400,692)	(2,151,785)	(4,412,081)	(4,993,945)	(3,816,771)	(4,398,635)	(4,980,498)	781,895	200,032	913,467
Revenues											
Federal (ARPA)	(7,772)		363,636	2,196,136	2,196,136	2,196,136	2,196,136	2,196,136	1,536,136	3,072,273	15,944,955
State (DOH for Vaxx)		1,087,445	3,955,159	3,925,220	3,925,220	3,925,220	3,925,220	3,925,220			24,668,704
Local											-
Intragovernmental	188,019										188,019
Interfund Transfers	1,307,795	2,537,088	134,128	-	1,759,037			1,759,037			7,497,085
General Fund	501,136	-	-	-							501,136
Other		-									-
											-
Total Revenues	1,989,177	3,624,533	4,452,923	6,121,356	7,880,393	6,121,356	6,121,356	7,880,393	1,536,136	3,072,273	48,799,898
Expenditures											
DCHS Director's Office (DO&HR)	1,533,070	581,863	581,863	581,863	581,863	581,863	581,863	581,863	581,863	581,863	6,769,841
PME	326,809	134,128	-	-	-	-	-	-	-	-	460,938
Health Ambassador	356,013	25,695	10,000	-	-	-	-	-	-	-	391,708
Mass Vaxx	1,087,445	3,955,159	3,925,220	3,925,220	3,925,220	3,925,220	3,925,220	-	-	-	24,668,704
Isolation&Quarantine	-	-	660,000	660,000	660,000	660,000	660,000	-	-	-	3,300,000
COVID Admin Support	-	363,636	363,636	363,636	363,636	363,636	363,636	363,636	363,636	363,636	3,272,727
Domestic Violence	-	-	247,500	247,500	247,500	247,500	247,500	247,500	247,500	247,500	1,980,000
Childcare	-	-	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	7,400,000
Other	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	3,303,337	5,060,482	6,713,220	6,703,220	6,703,220	6,703,220	6,703,220	2,118,000	2,118,000	2,118,000	48,243,918
Other Fund Transactions											
Transfer All Home Fund Balance to RHA	-	315,143	-	-	-	-	-	-	-	-	315,143
Total Other Fund Transactions	-	315,143	-	-	-	-	-	-	-	-	315,143
Ending Cash Position	(400,692)	(2,151,785)	(4,412,081)	(4,993,945)	(3,816,771)	(4,398,635)	(4,980,498)	781,895	200,032	1,154,305	1,154,305



# Public Health, Seattle & King County

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EXECUTIVE FINANCE COMMITTEE

MAY 27<sup>TH</sup> 2021

# PH Fund Cash Projection

	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
<b>Estimated Cash Balance at end of period</b>	<b>(\$24,450,147)</b>	<b>(\$39,237,180)</b>	<b>(\$41,685,595)</b>	<b>(\$42,486,142)</b>	<b>(\$47,461,922)</b>	<b>(\$18,553,820)</b>	<b>(\$5,430,249)</b>	<b>\$22,504,321</b>

- Projected cash deficit is driven by COVID expenditures and timing of federal and state reimbursements
- Requested loan term is June 2021 to June 2022 which allows for additional flexibility.
- Loan amount being requested is \$60 Million.
- Cash forecast accounts for timing of payments on contracts and delayed collection of cash from our funders.
- Interest will be paid from flexible funding sources.



**King County**

## COUNTY FUND APPLICATION FOR INTERFUND LOAN

### COUNTY FUND MANAGER CONTACT INFORMATION

Fund name and number: Public Health Fund/1800

Fund Manager: Yinka Otusanya

Fund Manager Title: Interim CFO

Contact name (if different):

Contact title:

Phone: 206-263-8599

Fax:

### BORROWING REQUEST DETAILS

Fund name: Public Health Fund

Fund number: 1800

Term of loan requested (projected start and end date): 6/1/2021 and 6/30/2022

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: Drew Pounds

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: \$60,000,000

### ADDITIONAL INFORMATION

Why is this borrowing necessary?

COVID-19 related expenditures outpacing cash reimbursements received from federal and state sources.

What will be the source of the funds to repay the interfund loan? Federal and State funding

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 ☐

#### FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)

Signature:

Print Name: Yinka Otusanya

Title: Interim Chief Financial Officer

Date: 5/27/2021

**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:



## 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

May 21, 2021

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 (amended)

The purpose of this memorandum is to request the Executive Finance Committee's approval to amend an existing interfund loan from \$15,000,000 to \$30,000,000 and a revised end date from September 30, 2021 to December 31, 2021 to the Long -Term Lease Fund 3310 for the COVID-19 Response Project.

This interfund borrowing will allow Long -Term Lease Fun 3310 to hold over until the reimbursements are received from the federal grants. The table below provides a summary of the interfund borrowing amount request:


<b>Long-Term-Lease Fund Interfund Borrowing Summary</b>	<b>Total</b>
Total Expenditures projected through 12/31/21	\$ 32,423,917
Revenue reimbursement received	\$ (1,960,933)
<b>Interfund Borrowing Balance Request</b>	<b>\$ 30,462,985</b>

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  
Carolyn Mock, Business & Finance Officer, FMD  
Sid Bender, Executive Analyst, PSB



## APPENDIX III – COUNTY FUND APPLICATION FORM

 <b>King County</b> <b>COUNTY FUND APPLICATION FOR INTERFUND LOAN</b>		
COUNTY FUND MANAGER CONTACT INFORMATION		
Fund name and number: Long Term Lease Fund /000003310		
Fund Manager: Hanh Mai		Fund Manager Title: Finance & Administrative Services 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 – December 31, 2021		
Is this a new loan request or a request to modify an existing loan? Request to modify an existing loan		
Has this loan request been reviewed by Office of Performance, Strategy and Budget?    Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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 : \$30,000,000		
ADDITIONAL INFORMATION		
<u>Why is this borrowing necessary?</u> To address the projected negative cash balance due to timing of reimbursement received from federal grants: ARPA and FEMA.		
<u>What will be the source of the funds to repay the interfund loan?</u> 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 <input type="checkbox"/> No <input type="checkbox"/> Not bond issue. Nigel Lewis		
FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)		
Signature: <i>Hanh Mai</i>		
Print Name: Hanh Mai		
Title: Finance & Administrative Services Manager		
Date: May 21, 2021		
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 <input type="checkbox"/> No <input type="checkbox"/>		Date Approved/Denied:
		Loan interest rate:
Maximum interfund loan amount approved \$		Repayment date:
Other special loan terms or comments:		

Hotel	Proj #	Notes	2020 Total	January	February	March	April	May	June	July	August	September	October	November	December	Total 2021	Addl Costs	Total 2020-21
DES LTLF KENT MOTEL GROUND LSE	#####	CPI Increase 4/1, est 2.5%	\$ 86,548	\$ 8,676	\$ 8,676	\$ 8,676	\$ 8,823	\$ 8,823	\$ 8,823	\$ 8,823	\$ 8,823	\$ 8,823	\$ 8,823	\$ 8,823	\$ 8,823	\$ 105,438		\$ 191,986
DES LTLF ISSAQUAH HOTEL	#####	expires 3/18/21; <b>amend expires 9/18/21 - not extending</b>	\$ 1,750,000	\$ 175,000	\$ 175,000	\$ 192,500	\$ 192,500	\$ 192,500	\$ 192,500	\$ 192,500	\$ 192,500	\$ 450,000	\$ -	\$ -	\$ -	\$ 1,955,000		\$ 3,705,000
DES LTLF BELLEVUE COAST HOTEL	#####	terminated 11/30/20	\$ 1,322,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1,322,185
DES LTLF RENTON RED LION	#####	<b>expires 6/30/21</b>	\$ 3,315,473	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 330,750	\$ 3,969,000		\$ 7,284,473
DES LTLF RENTON RED LION	#####	<b>Legal Services - Williams Kastner Gibbs</b>	\$ 38,723				\$20,541.00	\$ 3,159.38	\$ 21,361.63	\$ -						\$ 45,062		\$ 83,785
DES LTLF SEATAC HOTEL	#####	Expired 1/10/21; \$4,040.00/day, est \$150,000 cleaning/replacement	\$ 1,093,300	\$ 40,400				\$ 303,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,751		\$ 1,437,051
DES LTLF SEATAC SLEEP INN	#####	<b>expires 6/30/21; Amend #2 extend to 12/31/21</b>	\$ 8,400	\$ 236,000	\$ 126,000	\$ 126,000	\$ 126,000	\$ 126,000	\$ 126,000	\$ 141,750	\$ 141,750	\$ 141,750	\$ 141,750	\$ 141,750	\$ 141,750	\$ 1,716,500	\$ 60,000	\$ 1,784,900
DES LTLF INN AT QUEEN ANNE	#####	<b>expires 6/30/21 - Acquisition Pending</b>	\$ 1,082,640	\$ 132,600	\$ 132,600	\$ 132,600	\$ 132,600	\$ 132,600	\$ 132,600	\$ 132,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795,600	\$ 69,000	\$ 1,947,240
DES LTLF CIVIC HOTEL	#####	<b>expires 7/31/2021; new rate effective 1/1/2021</b>	\$ 1,147,280	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 147,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 176,000	\$ 1,909,000	\$ 55,000	\$ 3,111,280
New rate for Civic pending - no info available so this is a random guess																		
DES LTLF SODO WRHS COVID FAC	#####	<b>expires 3/31/23</b>	\$ 1,824,347	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 201,397	\$ 2,416,759		\$ 4,241,106
DES LTLF 1ST AVE S WAREHOUSE	#####	<b>expires 12/31/21</b>	\$ -	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 41,604	\$ 499,245		\$ 499,245
DES LTLF KENT 43 WAREHOUSE	#####	<b>start 5/1/21 expires 4/30/22</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,646	\$ 27,646	\$ 27,646	\$ 27,646	\$ 27,646	\$ 27,646	\$ 27,646	\$ 27,646	\$ 221,165		\$ 221,165
DES LTLF SHOWARE COVID VACC	#####	start 2/1/21, <b>exp 7/31/2021</b> ;Varies -Est \$209,730/mo will be reconciled monthly; Eff 5/1/21	\$ -	\$ 11,904	\$ 244,077	\$ 209,730	\$ 115,163	\$ 199,775	\$ 198,148	\$ 217,686	\$ 217,686	\$ 217,686	\$ 217,686	\$ 217,686	\$ 217,686	\$ 2,284,914		\$ 2,284,914
DES LTLF AUBURN MALL COVID VAC	#####	start 3/1/21, <b>exp 11/30/21</b>	\$ -	\$ -	\$ -	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500	\$ 225,000		\$ 225,000
Reimb Recd 2020																		
DES LTLF MEYDENBAUER CTR	#####	varies; <b>extended to 6/30/21</b>	\$ 904,846	\$ 171,190	\$ 171,190	\$ 207,225	\$ 164,810	\$ 180,198	\$ 198,215	\$ 207,225	\$ 207,225	\$ 207,225	\$ 207,225	\$ 207,225	\$ 207,225	\$ 2,336,178	\$ (904,846)	\$ 2,336,178
DES LTLF MEYDENBAUER CTR	#####	Event invoices - est based on 2020 average	\$ 408,179	\$ -	\$ -	\$ 81,836	\$ -	\$ -	\$ 76,134	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 757,970		

Long-Term-Lease Fund Interfund Borrowing Summary	Total
Total Expenditures projected through 12/31/21	\$ 32,423,917
Revenue reimbursement received	\$ (1,960,933)
<b>Interfund Borrowing Balance Request</b>	<b>\$ 30,462,985</b>