

**REVISED - AGENDA**  
EXECUTIVE FINANCE COMMITTEE (EFC)  
February 27, 2025 at 11:00 A.M.

**Location:** Teams Meeting: 425-653-6586, Conference ID 314484093#

***Committee Members: Councilmember Rod Dembowski, Chair; Dwight Dively, Director PSB; Ken Guy, Director FBOD; Lorraine Patterson-Harris, County Administrative Officer***

***Staff: Carol Basile, Public Finance Officer; Mike Smith, Chief Investment Officer; Christine Denis, Portfolio Manager; Ian Hutchinson, Associate Portfolio Manager; Eben Sutton, Chief Accountant***

**AGENDA ITEMS**

1. **Action:** Approval of Minutes of the January 23, 2025 EFC meeting – Page 2
2. **Action:** Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code): Approve the request from the County Hospital Capital Fund 3740 to borrow up to \$5 million through December 31, 2025. Repayment will come from the 2025 State Grant. – Page 3  
*Anthony Wright, Strategic Director, Infrastructure Implementation; FMD*
3. **Briefing:** U.S. Bank Community Reinvestment Act Performance for King County (PowerPoint Presentation)  
*Representing U.S. Bank: Esther Richmond, Community Affairs Manager, Yvonne Blumenthal, VP, CRA Compliance Officer; Jason Paulnock, SVP, Division Manager; and Anne Adriano, VP, Relationship Manager*

**OTHER BUSINESS**

**ADJOURNMENT**

**MINUTES**  
**EXECUTIVE FINANCE COMMITTEE (EFC)**  
**January 23, 2025**

The EFC Meeting was held by Teams on January 23, 2025 at 11:02 a.m. and adjourned at 11:34 a.m.

<u>Members Present</u>	<u>Others Present</u>	<u>Others Present -</u>	<u>Members Absent</u>
Girmay Zahilay	Lizbeth Martin-Mahar	<u>Continued</u>	
Ken Guy	Nicholas Makhani	Carol Basile	
Lorraine Patterson-	Graciela Nunez Pargas	Mike Smith	
Harris	April Sanders	Christine Denis	
Dwight Dively	Robert Shelley, Piper	Ian Hutchinson	
	Stacey Lewis, Pacifica	Jenifer Merkel	
	Austin Gais, PFM	Eben Sutton	
	Nav Otal, IPAC	Chris McGowan	
	Danielle Hinz		

**ACTION ITEMS**

1. **Minutes** – The Committee unanimously approved the Minutes of the December 5, 2024 Executive Finance Committee meeting.
2. **“Official Intent” Motion**: The Committee unanimously approved the “Official Intent” reimbursement motion concerning the issuance of bonds in an aggregate principal amount of \$604,000,000 to undertake the projects collectively known as the “2025 Proposed Bond Financed Projects”.

**BRIEFINGS**

1. **Update on King County Regional Homelessness Authority Cash Flow Situation** – Nicholas Makhani from DCHS provided the Committee with an overview of RHA’s Boards plan to address its current cash deficit, which has been the result of high receivable balances with the entities that reimburse their expenditures. The Board will also review their management of receivables and operational issues that are slowing collections. They will review these issues and cash position and then vote on February 20, 2025 to approve an interfund loan request from the County. Their request is expected to be presented at the March 27 EFC meeting, at which time they will also speak to improving operational inefficiencies.
2. **Quarterly Review of Investment Pool** – Austin Gais of PFM presented the fourth quarter review of the King County Investment Pool. He provided a review of economic and market conditions during the last quarter, and he noted that market rates imply 50 basis points of additional cuts in 2025. He concluded by stating that the investment pool appears to provide ample liquidity, is well diversified, is of sound credit quality, and that it continues to be in compliance with all policy requirements.
3. **Investment Pool Performance and Balance Trends** – The Committee was informed by the investment team that the portfolio was repositioned in December to incorporate some of the market uncertainties caused by having a new administration in D.C. and to take advantage of market conditions. These adjustments should reduce volatility in the portfolio and monetized gains of roughly \$50,000. The pool yielded 4.36% in December and the average pool balance was \$10 billion, which was \$500 million above last year’s average balance. In comparison to its custom benchmark, the pool’s performance was 30 basis points lower than the benchmark’s performance.
4. **Interfund Borrowing** – The Committee was provided a review of EFC approved loans that used preliminary cash balances. Because the year-end general ledger closing process was not completed at the time of the meeting, not all cash balances were finalized, which resulted in some of the interfund borrowing reports not being available for review.

**OTHER BUSINESS**

None



**King County**

**Facilities Management Division**

**Anthony Wright, Strategic Director, Infrastructure Implementation**

Department of Executive Services

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Seattle, WA 98104

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February 12, 2025

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

FM: Anthony Wright, Strategic Director, Infrastructure Implementation, FMD

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


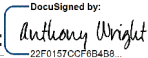
The purpose of this memorandum is to request the Executive Finance Committee's approval of an interfund loan of \$5,000,000 as a short-term loan to support the cash flow in the newly established County Hospital Capital Fund 3740 until the state grant reimburse which is currently planned for the fourth quarter of 2025. The terms of the interfund loan is from January 1, 2025 through December 31, 2025.

The \$5,000,000 interfund borrowing request is based on the funding for salary and benefits costs of new staffing needs to support and implement the County Hospital Capital Fund from January 1, 2025 – December 31, 2025. Copy of the itemized \$5 million interfund loan request is attached for your information.

I appreciate your consideration of this request. Please feel free to contact Li Fang Yu, Business and Finance Officer, FMD, at (206) 263-9073 if you have any questions or need additional information.

cc: Drew Zimmerman, Acting Director, FMD  
Cristina Gonzalez, Deputy Director, FMD  
Hanh Mai, Special Projects Manager IV, FMD  
Christopher McGowan, Executive Analyst, PSB  
Teresa Beran, Administrator III, FMD

### 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: County Hospital Capital Fund / 000003740		
Fund Manager: Anthony Wright	Fund Manager Title: Strategic Director, Infrastructure Implementation	
Contact name (if different): Li Fang Yu	Contact title: Business and Finance Officer	
Phone: 206-263-9073	Fax:	
BORROWING REQUEST DETAILS		
Fund name: County Hospital Capital Fund	Fund number: 000003740	
Term of loan requested (projected start and end date): January 1, 2025 – December 31, 2025		
Is this a new loan request or a request to modify an existing loan? New Loan Request		
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: Christopher McGowan		
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 "Auto(mated Interest Loans" as defined in Section 5.3 list the maximum negative cash balance forecasted during term of loan : \$5,000,000		
ADDITIONAL INFORMATION		
<u>Why is this borrowing necessary?</u> To address the negative cash balance due to timing of reimbursement received from the WA state Depart. Of Commerce at the end of 2025.		
<u>What will be the source of the funds to repay the interfund loan?</u> 2025 State Grant		
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"/> bond issue.		
FUND MANAGER AUTHORIZED SIGNATURE (REQUESTING INTERFUND LOAN)		
Signature: 		
Print Name: Anthony Wright		
Title: Strategic Director, Infrastructure Implementation		
Date: 2/13/2025		
<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:	
Other special loan terms or comments:		

Month	Projected CB	State Grant Rev
Dec-24	\$0	
Jan-25	(\$260,000)	
Feb-25	(\$460,000)	
Mar-25	(\$960,000)	
Apr-25	(\$1,460,000)	
May-25	(\$1,960,000)	
Jun-25	(\$2,460,000)	
Jul-25	(\$2,960,000)	
Aug-25	(\$3,460,000)	
Sep-25	(\$3,960,000)	
Oct-25	(\$4,460,000)	
Nov-25	\$540,000	\$5,000,000
Dec-25	\$0	

