

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Office of City Finance	Andrew Robinson	Lorine Cheung

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the financing of the Human Capital Management System project; amending Ordinance 127131 to increase the amount of the existing interfund loan; creating the 2026 Multipurpose LTGO Bond Fund, and allowing it to be a borrowing fund for the loan; amending Ordinance 127156, which adopted the 2025 budget, including the 2025-2030 Capital Improvement Program (CIP); changing appropriations to the Department of Finance and Administrative Services; revising project allocations and spending plans for certain projects in the 2025-2030 CIP; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and Background of the Legislation: This legislation increases the amount of the existing interfund loan to the Finance and Administrative Services Fund by \$2,200,000 from \$11,000,000 to \$13,200,000.

The HCMS information technology project funds the planning, design, and replacement of the aging Human Resource Information System (HRIS), which includes the Citywide payroll and benefits system, with a new Human Capital Management (HCM) system. This project, also known as “Workday” is a critical replacement of the City’s timekeeping and payroll system. The project was approved by the Enterprise Oversight Board (EOB) in February 2020 and will be managed out of the Office of City Finance (OCF) Business Systems Division, in partnership with the Seattle Department of Human Resources (SDHR) and Seattle Department of Information Technology (ITD).

In 2024, through Ordinance 127131, City Council authorized a revolving interfund loan of up to \$11,000,000 to the 2025 Multipurpose LTGO Bond Fund from the Finance and Administrative Services Fund to support the Human Capital Management System (“HCMS”) capital project. The interfund loan has been fully drawn, and will be repaid with proceeds of 2025 limited tax general obligation (“LTGO”) bonds anticipated in June 2025.

Workday went live in September of 2024. Due to several issues arose following go-live, costs incurred in 2025 exceed the 2025 CIP Budget. The original CIP budget appropriation was \$61 million in the 2024 Adopted Budget, and due to underspending prior to Go-Live, the CIP budget was subsequently decreased by \$10.8 million in the 2025 Adopted Budget. Now, in order to respond to the increase in costs in 2025, the CIP project budget is being increased by \$13.2 million, and the revolving interfund loan authorized by Council through Ordinance 127131 is increasing from \$11,000,000 to \$13,200,000.

The legislation amends Ordinance 127131 to increase the amount of the revolving interfund loan to \$13,200,000 from the Finance and Administrative Services Fund while retaining the original lending authorization in Ordinance 127131. The legislation also creates the 2026 Multipurpose Bond Fund and allows it to be a borrowing fund for the loan.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project?

Yes ☒

Project Name:	Master Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2030:
HRIS Replacement Project	MC-FA-HCMSYS		2021	2025	\$63.4 million

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City?

Yes ☒

Expenditure Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Expenditure Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.
	\$13,200,000				

Revenue Change (\$); General Fund	2025	2026 est.	2027 est.	2028 est.	2029 est.
Revenue Change (\$); Other Funds	2025	2026 est.	2027 est.	2028 est.	2029 est.

Number of Positions	2025	2026 est.	2027 est.	2028 est.	2029 est.
Total FTE Change	2025	2026 est.	2027 est.	2028 est.	2029 est.

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.

No, there are no additional financial impacts.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

The increase in costs for this project is not able to be absorbed within the existing budget.

Please describe any financial costs or other impacts of *not* implementing the legislation.

This information technology project, also known as “Workday” is a critical replacement of the City’s former timekeeping and payroll system, which was not able to be being supported after 2023. It is critical that the system continue to be implemented without interruption to ensure uninterrupted payroll and timekeeping functions for the City.

Please describe how this legislation may affect any City departments other than the originating department.

This information technology project is being implemented in partnership with the Seattle Department of Human Resources (SDHR) and Seattle Information Technology Department (Seattle IT).

4. OTHER IMPLICATIONS

a. Is a public hearing required for this legislation?

No

b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?

No

c. Does this legislation affect a piece of property?

No

d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.

N/A

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.

N/A

- iii. **What is the Language Access Plan for any communications to the public?**
N/A

e. Climate Change Implications

- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

- ii. **Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

- f. **If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

- g. **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

5. ATTACHMENTS

Summary Attachments:

Summary Attachment A – Interfund Loan Request