

SUMMARY and FISCAL NOTE*

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** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

a. Legislation Title: AN ORDINANCE pertaining to the fund structure of the City Treasury; reorganizing certain funds and subfunds consistent with the recommendations of the City's Financial Management and Accountability Program; creating new funds; transferring assets, liabilities, and fund balances between certain funds; making technical corrections; repealing Chapters 5.76 and 21.100 of the Seattle Municipal Code; amending Sections 3.02.120, 3.06.010, 3.06.055, 3.12.120, 3.15.007, 3.35.030, 3.35.050, 3.39.035, 4.40.020, 4.44.060, 4.50.020, 4.100.020, 5.06.030, 5.24.010, 5.24.020, 5.40.120, 5.64.030, 5.64.100, 5.78.200, 5.78.210, Chapter 5.80, Sections 11.16.312, 11.61.090, 12A.10.110, 15.04.074, 15.62.110, 15.91.016, 16.08.050, 20.32.050, 22.202.050, 22.202.060, 22.214.087, 22.220.090, 22.220.100, 22.900G.080, 22.930.120, 23.58D.006, and 23.90.018 of the Seattle Municipal Code; and amending Ordinances 104195, 112556, 114893, 115859, 116642, 117342, 117472, 117977, 118289, 118617, 119273, 119758, 120214, 120489, 120912, 120944, 121206, 121661, 121742, 122088, 122424, 122603, 122876, 123177, 123184, 123761, 124652, 124833, and 124906.

b. Summary and background of the Legislation: The City's Financial Management and Accountability Program (FinMAP) was initiated in 2011 through City Council Resolution 31332 to strengthen financial management policies and procedures. On a citywide basis, FinMAP will:

- Establish standard financial/accounting business practices.
- Establish a single system of record for financial data.
- Provide more transparency and efficiency in producing regulatory and other financial management reports.
- Improve business processes and strengthen controls related to procurement, project accounting, grant billing, asset management and more.
- Preserve the City's financial management technology assets.

FinMAP is an umbrella program that will include several major projects, beginning with the Summit Reimplementation Project (SRI) that will establish new citywide finance and procurement standardizations in preparation for the City's deployment of a new PeopleSoft 9.2 enterprise financial management system. Vendor support has expired for the City's current 8.8 PeopleSoft version (Summit), leaving the City at significant risk for potential system failure since it is incompatible with new versions of certain supporting software.

A key component of FinMAP, and a necessary preparation for the new PeopleSoft 9.2 system configuration, is the development and maintenance of common financial management policies, procedures, and practices resulting from standardization and common use of the City's financial system to promote best practices, transparency, and efficiencies. Included in this is a move to standardize how the City organizes its finances in funds. In Peoplesoft 9.2, a Fund will be a self-contained accounting entity with its own balanced set of books used for financial reporting purposes. To achieve this measure, it is necessary to re-organize the City's fund structure in accordance with the FinMAP business rules. Some funds will be eliminated and accounted for using more appropriate accounting chartfields in Peoplesoft 9.2. Other funds will be combined or divided, according to business needs. Two new funds will be created.

The changes to the City fund structure that are included in this ordinance have been negotiated with affected City departments, and are built into the FinMAP and Peoplesoft 9.2 implementations.

A companion ordinance is planned for next year, after the Peoplesoft 9.2 implementation is stabilized, which will close funds and subfunds that are no longer needed in the Peoplesoft 9.2 environment.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project? No.

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget? No.
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs? No.
- c. Is there financial cost or other impacts of *not* implementing the legislation? Yes. The ordinance revisions proposed by this legislation are required to implement the proposed FinMAP financial standardizations that have been configured into the new PeopleSoft 9.2 enterprise financial management system application.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department? Yes. The ordinance reorganizes many existing funds that are used by all City departments. Departments are aware of and have been planning for the fund changes that are authorized by this ordinance.
- b. Is a public hearing required for this legislation? No.

- c. **Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant? No.**
- d. **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No.**
- e. **Does this legislation affect a piece of property? No.**
- f. **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? No.**
- g. **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). Not applicable.**
- h. **Other Issues: None.**

List attachments/exhibits below: