

SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Office of City Finance	Julie Johnson	Lorine Cheung Matt Courtois

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the financing of the Human Capital Management System project; authorizing the loan of funds in the amount of \$11,000,000 from the Finance and Administrative Services Fund to the 2025 Multipurpose LTGO Bond Fund for continuing the work of implementing the Human Capital Management System project; amending Ordinance 126955, which adopted the 2024 Budget, including the 2024-2029 Capital Improvement Program (CIP); changing appropriations to Finance and Administrative Services; and revising project allocations and spending plans for certain projects in the 2024-2029 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 authorizes an interfund loan of up to \$11,000,000 from Finance and Administrative Services Fund to the 2025 Multipurpose LTGO Bond Fund to support the Human Capital Management System (“HCMS”) capital project.

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 FAS Business Systems Division, in partnership with the Seattle Department of Human Resources (SDHR) and Seattle Department of Information Technology (ITD).

This multiyear project is estimated to cost \$50.179 million in total and is being financed by LTGO Bonds, including LTGO bonds issued in 2021, 2022 and 2023. It was anticipated at the time of the 2024 Adopted Budget that bond proceeds from the 2023 LTGO bond sale would be sufficient to meet HCMS cash flow requirements in 2024, however, updated estimates of 2024 cash flow requirements indicate that costs in 2024 will exceed available proceeds. An interfund loan is needed to meet cash flow requirements in 2024 to bridge to the 2025 LTGO bond issuance.

Overall, the total HCMS project cost is anticipated to be less than the overall budget of approximately \$61 million reflected in the adopted 2024-2029 Capital Improvement Program (CIP). The authorization of this interfund loan addresses a change in the anticipated timing of the actual costs to be incurred, while remaining within the overall project budget.

2. CAPITAL IMPROVEMENT PROGRAM

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

Project Name:	Master Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2029:
Human Capital Management System (MC-FA-HCMSYS)	MC-FA-HCMSYS	700 5th Ave	2021	2026	\$50,179,000

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? Yes No

Expenditure Change (\$); General Fund	2024	2025 est.	2026 est.	2027 est.	2028 est.
Expenditure Change (\$); Other Funds	2024	2025 est.	2026 est.	2027 est.	2028 est.
	\$6,382,949	(\$17,139,780)			

Revenue Change (\$); General Fund	2024	2025 est.	2026 est.	2027 est.	2028 est.
Revenue Change (\$); Other Funds	2024	2025 est.	2026 est.	2027 est.	2028 est.

Number of Positions	2024	2025 est.	2026 est.	2027 est.	2028 est.
Total FTE Change	2024	2025 est.	2026 est.	2027 est.	2028 est.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/Number*	2024 Appropriation Change	2025 Estimated Appropriation Change
2025 Multipurpose LTGO Bond Fund	Dept of Finance and Administr	BC-FA-A1IT	\$11,000,000	\$0

	ative Services			
TOTAL			\$11,000,000	

**See budget book to obtain the appropriate Budget Control Level for your department.*

Appropriations Notes: This legislation increases appropriation for expenditure in 2024 in the 2025 LTGO Bond Fund. The 2025 LTGO Bonds are anticipated to be issued in mid-2025 and will be the source of repayment of the interfund loan. This interfund loan is being established as a revolving loan. In the event that the interfund loan is drawn on following the issuance of the 2025 LTGO bonds, the source of repayment for that draw will be the proceeds of the 2026 LTGO bonds.

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.

Ongoing operating costs to maintain the Workday project are being addressed separately in the 2025 Proposed Budget.

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.

Costs are not able to be absorbed within existing operations.

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 timekeeping and payroll system, which is not 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.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides 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).

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.

No

c. 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

d. 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

e. 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

5. CHECKLIST

Is a public hearing required? No

Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required? No

- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies? Yes**
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization? No**

6. ATTACHMENTS

Summary Attachments:

Summary Attachment A – Amended HCMS 2024-2029 CIP Page

Summary Attachment B – HCMS Interfund Loan Request