

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
RET	Paige Alderete	Dave Hennes

### 1. BILL SUMMARY

**Legislation Title:** AN ORDINANCE relating to the organization of City government; transferring the administration of the City of Seattle Voluntary Deferred Compensation Plan and Trust from the Seattle Department of Human Resources to Seattle Retirement; authorizing administrative actions necessary to carry out the intent of this ordinance; and amending Sections 4.36.070 and 4.36.505 of the Seattle Municipal Code.

#### **Summary and Background of the Legislation:**

The Executive Director and staff of the Seattle City Employees' Retirement System administer the City's defined benefit retirement plan providing a pension benefit to eligible City employees and their beneficiaries, while the Seattle Department of Human Resources (SDHR) currently administers the City of Seattle Voluntary Deferred Compensation Plan and Trust, a defined contribution plan that City employees may utilize to defer wages on a pre-tax basis to save for retirement.

Consolidating the City's administrative functions of both the Seattle City Employees' Retirement System and the City of Seattle Voluntary Deferred Compensation Plan and Trust to a single department is expected to achieve resource efficiencies and create a more comprehensive service for employees planning for their retirement.

This is best achieved by transferring the administration of the City of Seattle Voluntary Deferred Compensation Plan and Trust from the Seattle Department of Human Resources to the Seattle Retirement department.

Budget for the Deferred Compensation Program previously appropriated to SDHR will be transferred to a new budget summary level in Seattle Retirement. There is no net change to the General Fund, and all costs of the Deferred Compensation Program, including staff salaries, will continue to be fully-funded by account fees managed by the City's Deferred Compensation record keeper.

### 2. CAPITAL IMPROVEMENT PROGRAM

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

### 3. SUMMARY OF FINANCIAL IMPLICATIONS

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

**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
General Fund 00100	SHR	BO-HR-N6000		-555,280.91
General Fund 00100	RET	BO-RE-R2R00		555,280.91
<b>TOTAL</b>				<b>0.00</b>

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

**Appropriations Notes:** While Deferred Compensation staff salaries were initially captured by SDHR using the General Fund, there actually is no General Fund impact, as all costs of the Deferred Compensation Program, including staff salaries, are reimbursed/funded by account fees managed by the City’s Deferred Compensation record keeper (currently Nationwide).

The change in appropriations occurs in the 2025 Budget Adoption ordinance, but is illustrated here for transparency.

**3.b. Revenues/Reimbursements**

This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from This Legislation:**

Fund Name and Number	Dept	Revenue Source	2024 Revenue	2025 Estimated Revenue
General Fund 00100	SHR	DC Account fees (Nationwide)	0	-555,280.91
General Fund 00100	RET	DC Account fees (Nationwide)	0	555,280.91
<b>TOTAL</b>				

The change in revenues occurs in the 2025 Budget Adoption ordinance, but are illustrated here for transparency.

**3.c. Positions**

This legislation adds, changes, or deletes positions.

The following positions are being transferred from the Seattle Department of Human Resources to the Retirement Department via the 2025 Budget Adoption Ordinance (illustrated here for transparency). No positions are being created or eliminated through this action. There is no General Fund impact, as all costs of the Deferred Compensation Program, including staff

salaries, are funded by account fees managed by the City’s Deferred Compensation record keeper.

Position # for Existing Positions	Position Title & Department*	Fund Name & Number	PT/FT	2025 Positions	2025 FTE
10005670	Deferred Compensation Manager	General Fund 00100	FT	1.0	1.0
10004819	Deferred Compensation Senior Analyst	General Fund 00100	FT	1.0	1.0
10005913	Deferred Compensation Analyst	General Fund 00100	FT	1.0	1.0
TOTAL				3.0	3.0

**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.

**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.**

N/A

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

There may be minimal costs to transition and relocate Deferred Compensation Staff from the Seattle Municipal Tower to the Pacific Building where SCERS is located. None of these costs will impact the General Fund.

**4. OTHER IMPLICATIONS**

**a. Please describe how this legislation may affect any departments besides the originating department.**

SDHR and RET will be affected in this transition and have been working closely on the coordination.

**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?

Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?

- If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**
- Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

## **6. ATTACHMENTS**

**Summary Attachments:** None.