



Legislation Text

File #: CB 118451, Version: 1

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to the Summit Re-Implementation project in the Department of Finance and Administrative Services; amending Ordinance 124648, which adopted the 2015 Budget; establishing the 2016 Multipurpose LTGO Bond Fund; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, in the amount of \$22,000,000, to the 2016 and 2017 Multipurpose LTGO Bond Funds for bridge financing of the Summit Re-Implementation project; establishing a budget control level in the 2016 Multipurpose LTGO Bond Fund; increasing appropriations in the 2016 Multipurpose LTGO Bond Fund; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

WHEREAS, 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 and includes the Summit Re-Implementation (SRI) project; and

WHEREAS, Summit is the City's financial management information technology system, built with Oracle's PeopleSoft product line, and vendor support has expired for the City's PeopleSoft version 8.8, leaving Summit at significant risk for potential system failure since it is incompatible with new versions of certain supporting software; and

WHEREAS, the Executive has endorsed a scope for implementation of the SRI project that will: make progress on standardizing departments' use of Summit, optimize the City's chart of accounts; transition to a project-centric accounting model; re-engineer City business processes and department systems to take advantage of PeopleSoft functionality; and implement the Procure to Pay module for certain departments; and

WHEREAS, the Council provided authorization for debt financing through limited tax general obligation

(LTGO) bonds in 2013 and 2014 for the SRI development phase; and

WHEREAS, the Executive intends to seek Council approval to issue additional LTGO bonds in 2016 and 2017 to fund the SRI implementation phase; and

WHEREAS, the Department of Finance and Administrative Services requires bridge financing for the SRI implementation phase in advance of the 2016 LTGO bond issuance, and may need additional bridge financing in advance of the 2017 LTGO bond issuance; and

WHEREAS, Seattle Municipal Code Section 5.06.030.C requires City Council approval by ordinance of any interfund loan for a duration of more than 90 days; and

WHEREAS, in the normal course of business the City may temporarily lend cash between funds to maintain required balances; and

WHEREAS, there is sufficient cash in the City's Consolidated (Residual) Cash Pool or its participating funds to support a revolving loan of up to \$22,000,000 through the end of 2017; and

WHEREAS, funds loaned by the City's Consolidated (Residual) Cash Pool to the 2016 and 2017 Multipurpose LTGO Bond Funds for the purpose of bridge financing of the SRI project is anticipated to be repaid from the proceeds of the sale of LTGO bonds in 2016 and 2017; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of Finance is authorized to create in the City Treasury the 2016 Multipurpose LTGO Bond Fund, into which the principal proceeds and any premium received from the sale and delivery of limited tax general obligation (LTGO) bonds in 2016 shall be deposited for the purpose of paying all or part of the costs of various elements of the City's capital improvement program and other City purposes approved by ordinance. The Fund shall receive earnings on its positive balances and pay interest on its negative balances. The Director of Finance is authorized to create other Subfunds, Accounts, or Subaccounts as may be needed.

Section 2. The Director of Finance is authorized to make a revolving loan of up to \$22,000,000 principal and interest outstanding at any one time from the City's Consolidated (Residual) Cash Pool or its

participating funds to the 2016 and 2017 Multipurpose LTGO Bond Funds, to provide bridge financing for the implementation phase of the SRI project being undertaken by the Department of Finance and Administrative Services (FAS). The loan is to be repaid no later than December 31, 2017 with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool. The entire principal and interest amount of the loan drawn in advance of the LTGO bond issuances in 2016 and 2017, respectively, shall be repaid with proceeds from the sale of 2016 and 2017 LTGO bonds, respectively, subject to future authorization by ordinance of the 2016 and 2017 LTGO bonds.

Section 3. The Director of Finance may effectuate the loan authorized in Section 2 by transferring cash from one or more funds participating in the City's Consolidated (Residual) Cash Pool to the 2016 Multipurpose LTGO Bond Fund, or the 2017 Multipurpose LTGO Bond Fund, subject to it being established by future ordinance, or by carrying the 2016 or 2017 Multipurpose LTGO Bond Funds in a negative cash position in an amount not to exceed \$22,000,000 until no later than December 31, 2017. The Director of Finance is further authorized to establish, and modify if necessary from time to time, a repayment plan and schedule.

Section 4. In order to pay for necessary capital costs and expenses incurred or to be incurred the appropriation for the following item in the 2015 Adopted Budget is increased from the fund shown, as follows:

Fund	Department	Budget Control Level	Amount
2016 Multipurpose LTGO Bond Fund	FAS	Information Technology (A1IT)	\$11,000,000

Section 5. The 2015 Adopted Budget is amended with the creation of the following new budget control level added to Attachment A of Ordinance 124648 as follows:

Item	Fund	Dept	BCL Code	BCL Name	BCL Purpose
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5.1	2016 Multipurpose LTGO Bond Fund	FAS	36300-A1IT	Information Technology (36300-CIP)	The purpose of the Information Technology Budget Control Level (BCL) is to replace, upgrade or maintain FAS information technology systems to meet the evolving enterprise activities of the City. The BCL is funded by the 2016 LTGO Bond Fund (36300).
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Section 6. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the ____ day of _____, 2015, and signed by me in open session in authentication of its passage this ____ day of _____, 2015.

President _____ of the City Council

Approved by me this ____ day of _____, 2015.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)