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Title: A RESOLUTION establishing a capital project oversight work program for the Budget Committee for 2017.

Sponsors: Tim Burgess

Indexes:

Attachments: 1. Summary and Fiscal Note, 2. Signed Resolution 31720

Date	Ver.	Action By	Action	Result
11/28/2016	1	City Clerk	attested by City Clerk	
11/28/2016	1	Mayor	Signed	
11/28/2016	1	Mayor	returned	
11/22/2016	1	City Clerk	submitted for Mayor's signature	
11/21/2016	1	City Council	adopted	Pass
11/16/2016	1	Select Budget Committee	adopt	Pass
11/7/2016	1	City Council	referred	
11/2/2016	1	Council President's Office	sent for review	
11/1/2016	1	City Clerk	sent for review	

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION establishing a capital project oversight work program for the Budget Committee for 2017. WHEREAS, Capital Improvement Program (CIP) oversight is a critical function of the Seattle City Council;

and

WHEREAS, effective CIP oversight ensures transparent, accountable use of public dollars; and

WHEREAS, at times the Council has been constrained in its ability to exercise its full duty and authority to oversee CIP projects, such as when the Council first receives large appropriation requests for CIP projects where the project's scope has not been fully defined and/or more design work is needed to

fully understand total costs and potential risks; and

WHEREAS, the Council's ability to perform effective capital oversight is dependent on access to thorough information and the opportunity to review and process this information in a timely manner; and

WHEREAS, City capital projects such as the Seawall Replacement and the utilities' New Customer Information System ran millions of dollars over their original proposed budget and Council's oversight would have been more effective with timely reporting and better defined processes for reviewing available reports;

WHEREAS, oversight for the 2017-2022 Proposed CIP was improved via increased internal Council staff review of changes to scope, schedule, and budget, including instituting an additional supervisory review of proposed CIP budget actions, seeking information from and holding conversations with some of the major departments on their project management practices and contingency usage, and conducting internal staff meetings to jointly discuss capital project issues across departments, all of which contributed to the development of proposed Council amendments to scope and budget for projects and imposition of capital controls via provisos; and

WHEREAS, there is significant opportunity to improve CIP reporting accountability to the Council and to use the Council's budgeting authority to achieve better financial oversight; and

WHEREAS, the Mayor agrees with and understands the importance and value of effective executive management controls and Council oversight for projects that have a significant financial, policy or programmatic impact on the City and its residents; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The Council and the Mayor are committed to improving Capital Improvement Program (CIP) oversight and developing new approaches to project monitoring.

Section 2. The Budget Committee shall lead this improvement effort for the Council through its 2017

work program by improving CIP accountability in the following ways:

A. Development of phased appropriation requirements for large CIP projects that provide Council with the opportunity to oversee the development of a project's scope, schedule, and budget, including development of a capital project risk assessment tool to inform phased appropriation decision-making;

B. Establishment of requirements for Council authorization of large external capital grant applications in situations such as grants that are sought by departments in advance of initial Council appropriation for a CIP project; and

C. Institution of mechanisms to improve visibility of and budgetary control over use of capital project contingency amounts.

Section 3. The Budget Committee will also institute requirements that improve the utility of CIP information communicated to the Council, as follows:

A. Enhanced regular CIP reporting developed in conjunction with the City Budget Office, including but not limited to quarterly reports to the Budget Committee on project scope, schedule, or budget deviations from the Council-approved CIP and any subsequent mid-year amendments;

B. Improved organization and content of departmental CIP information transmitted with the 2018 Proposed Budget, developed in conjunction with the City Budget Office and departments; and

C. Improved inter-branch communication on capital projects including coordination with the Executive Capital Subcabinet and other cross-branch opportunities.

Section 4. An ad hoc panel of independent experts on capital budgeting and project oversight shall be convened by the Council and Mayor to review current City practices and capital projects and make recommendations for improvement.

Section 5. Through the actions identified in this resolution, the Council seeks to institute new rigor in capital project oversight that will increase appropriate and timely oversight and provide more transparency to the public.

Adopted by the City Council the ____ day of _____, 2016, and signed by me in open session in authentication of its adoption this _____ day of _____, 2016.

President _____ of the City Council

The Mayor concurred the ____ day of _____, 2016.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2016.

Monica Martinez Simmons, City Clerk

(Seal)