

2012 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
94	1	A	1

Budget Action Title: Re-refer Resolution 31331 regarding SDOT debt management policies to the Finance and Budget Committee.

Councilmembers: Budget Committee

Staff Analyst: Bob Morgan

Council Bill or Resolution: Reso #31331; tab 17 in gray notebook

Date		Total	SB	BH	SC	TR	JG	NL	RC	TB	MO
	Yes										
	No										
	Abstain										
	Absent										

Budget Action description:

This green sheet would re-refer Resolution 31331 to the Council’s Finance and Budget Committee for further consideration. The green sheet # 94-1-B is an alternative that would adopt resolution 31331 with the 2012 Budget.

Neither this option A, to re-refer the resolution to the Finance and Budget Committee, nor option B, to adopt resolution 31331 now, has any 2012 budget impact.

SDOT Specific Debt Policy Proposed to be Rescinded in Favor of Citywide Debt Policy:

Resolution 31331 would rescind the Seattle Department of Transportation (SDOT) debt management policies contained in Resolution 30636 and place SDOT and the Transportation Operating Fund (TOF) under the City’s overall debt management policy.

The City Council adopted Resolution 30636 in 2003. This resolution created debt policies specifically for SDOT and the TOF. The broad intent of the policy was to account for the cost of Limited Tax General Obligation (LTGO) – Councilmanic – bond-funded transportation projects for which the City’s share is less than \$10 million “holistically” (in one place), by funding debt service for those LTGO projects out of the TOF.

Recommendation from 2005 SLI Response:

In 2005, in response to a Council Statement of Legislative Intent (SLI), SDOT provided an analysis of transportation debt management policies. That analysis (included as an attachment to the proposed Resolution) recommended that the transportation-specific debt policies be rescinded, and that transportation debt be governed by the City’s overall Debt Management Policies. This is currently the practice of the City; however, the original resolution was never rescinded.

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Central Staff Recommends Referral to Finance and Budget Committee for Later Review: Central Staff recommends not adopting Resolution 31331 now and, instead, referring this resolution to the Council Finance and Budget Committee for further review. Staff believes more information about the implications of this change should be developed and reviewed by the Finance and Budget Committee before the Council takes action on the proposed resolution 31331. For instance, staff would like to know the approximate difference in debt service maximum amount for transportation projects under the two policies; the total cost of transportation projects currently subject to the SDOT policy; and the total cost of those exempt from the policy (large projects). Also, the Central Staff Staff analyst who is principally responsible for reviewing debt policy would like to have ample opportunity to review the proposed change in written policy.