



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Peggy McCarthy, Finance Director

BY: Finance Team

CC: Mayor Ekberg

DATE: August 29, 2018

SUBJECT: Proposed 2019-2020 Biennial Budget
Finance Department and Contingency Fund

ISSUE

Finance Committee to review Proposed 2019-2020 Biennial Budget for Finance Department (000.05) and the Contingency Fund (Fund 105).

BACKGROUND

The City is committed to developing and passing a fiscally-sound, balanced budget. Two challenges the City is encountering are 1) sales tax revenue growth of 3% projected for 2018 has not been realized to date, and 2) sales tax mitigation payments will end in late 2019. As a result, the City is seeking a balanced budget with expenditure reductions and possible new revenue opportunities.

DISCUSSION

The Finance Department is the backbone of the City. The Department budgets for and processes all City financial transactions and analyzes and reports the results. The volume of transactions is unmatched by any other department within the City.

The 2019-2020 Finance Department budget outlines the Department's many accomplishments in the 2017-2018 biennium and the goals for the 2019-2020 biennium. It includes the Department's Priority Based Budgeting programs and the number of staff hours and the budget for each. In keeping with the City's budgetary goals, the 2019 budget has been reduced by 2.26% from the 2018 budget and the 2020 budget has been held to a 2.84% increase - yielding a net biennial increase of just .58%, or less than 1%.

Changes in the 2019-202 Finance Department Budget

Staffing levels remain at twelve. In 2018, the Finance Department experienced four vacancies and all but the Treasury Fiscal Specialist position has been filled. This position was left unfilled for budgetary purposes and will be reconsidered for recruitment in the fourth quarter of 2018. Business license processing is scheduled to transition to the State in the first half of 2019. The transition is expected to reduce the amount of time required by the Business License Fiscal Specialist to process business licenses. The resulting increased capacity may be used to enhance grant accounting processes, including conducting outreach and education to other City departments, update policies and procedures, and audit tax returns.

In response to the Administration's budget reduction request, the biennial budget was reduced for the extra labor account, the claims and judgment account and a few other accounts. The extra labor budget, reduced from \$60,000 in 2018 to \$25,000 in 2019 and 2020, better reflects usage over the past year. The claims and judgment account was also reduced based on usage.

The 2019 professional services budget includes funding for assistance in determining the City's arbitrage liability and in updating the indirect cost allocation. Arbitrage occurs when investment earnings on tax exempt bond proceeds exceed a certain threshold; the excess earnings must be remitted to the Internal Revenue Service. The indirect cost allocation was developed by the FSC Group in 2010. The proposed update would modify the model for changes that have occurred within the City, increase understanding and transparency of the methodologies and calculations within the model, and simplify the process for updating the model. The 2020 professional services budget includes funding for assistance from our accounting software provider, Tyler Technologies, for better utilization of the budget and capital asset software modules and for better understanding of the accounting system data tables for improved analysis and reporting. It also includes funding to transition accounts payable and other processes to a more paperless system.

Contingency Fund

The Contingency Funds consists of two reserves – the 10% One-time Revenue reserve and the 10% Minimum Fund Balance reserve. Under the Reserve Policy, funding for the 10% One-time Revenue reserve is discretionary and therefore is not budgeted; funding for the 10% Minimum Fund Balance reserve is mandatory and is budgeted. Also, the minimum fund balance, exclusive of the 10% One-time Revenue reserve, must equal 10% of the prior year operating revenue. For 2017, the operating revenue totaled \$60,514,326, thus the 2018 ending fund balance will equal \$6,051,432; for 2018, the operating revenue is estimated at \$62,000,000 and therefore the 2019 budgeted ending fund balance equals \$6,200,000; for 2019, the operating revenue is estimated at \$65,000,000, therefore the 2020 budgeted ending fund balance equals \$6,500,000. Should the operating revenue estimate change for 2018 or 2019, the funding estimate for 2019 and 2020 would also change, respectively.

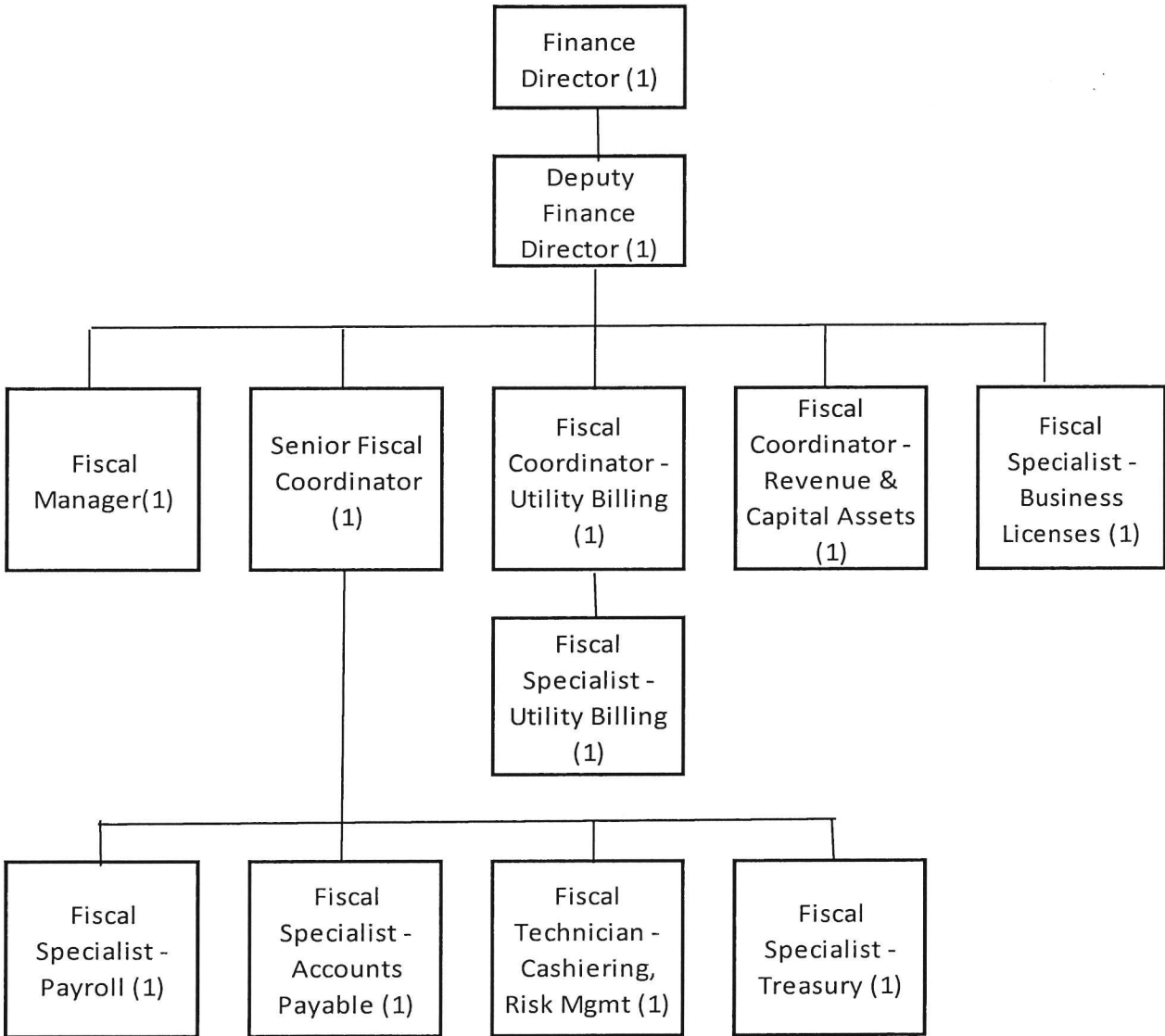
RECOMMENDATION

Staff is seeking committee feedback on the proposed department budget and direction to forward it for discussion to the September 10, 2018 Committee of the Whole. Other steps in the overall budget review process will include Council-led work sessions, the Mayor's formal budget delivery on October 1st, community outreach, and a public hearing.

ATTACHMENTS

- Draft 2019-2020 Finance Department Budget
- Draft 2019-2020 Fund 105, Contingency Fund Budget

Finance



DEPARTMENT: Finance (05)

FUND: General

RESPONSIBLE MANAGER: Peggy McCarthy

FUND NUMBER : 000

POSITION: Director

Description

The Finance department provides an array of services that include financial data processing, treasury cash control, utility billing and collection, payroll, accounts payable, accounts receivable, business licenses, preparation of the biennial budget and Comprehensive Annual Financial Report (CAFR), and risk management.

The Finance Department also serves as liaison to the State Auditor's Office during the annual audit of the City's compliance with legal and financial reporting requirements.

2017-2018 Accomplishments – Strategic Goal 4

- ◆ Implemented an IVR (internet voice recognition) system so customers can pay their utility bills using their phone 24/7; also instituted a phone call routing system (phone tree) so phone calls are received by the appropriate staff more expeditiously.
- ◆ Reduced the cashiering front counter hours so the Finance Team can meet together weekly – promoting communication and teamwork and allowing the cashier to “cash out” the two cashiering stations by the end of the business day.
- ◆ Two City facing SharePoint sites were established – one, Financial Reporting, for monthly budget to actual reports for departmental and general fund transactions and balances; and another, Accounts Payable, for bi-monthly departmental expenditure reports posted after each check run, and other related purchasing information.
- ◆ The basis for the business license fee calculation was changed from full time equivalent (FTE) employee hours to a per employee basis. Legislative work was accomplished in a short time frame. This change has been well received by the business community.
- ◆ Managed the park and fire impact fee update process resulting in new rates, better defined rate categories and a rate model to facilitate future updates.
- ◆ An \$8.2 million bond was issued to finance residential street projects and the \$2.25 million short term urban renewal debt was refinanced – all at competitive interest rates.
- ◆ A \$20 million bond was issued to finance the Public Works Shops portion of the Public Safety Plan; the City's AA stable credit rating by the S&P rating agency was affirmed.
- ◆ The initial stages of Priority Based Budgeting were implemented.
- ◆ A new forecasting model, Whitebirch, was acquired and is being used for long range financial planning.

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- ◆ Several financial scenarios, referred to as financial frameworks, were developed for the Public Safety Plan to assist in decision making on scope, timing and funding of the project.
 - ◆ Reporting to the Public Safety Plan Financial Oversight Committee was established and continues as an ongoing commitment to the City's transparency.
 - ◆ Front counter glass was installed to improve security and safety.
 - ◆ Managed a 30% staff turnover partially due to retirements and hired three new full- time staff.
 - ◆ Transitioned billing for surface water services to King County to increase collections and create efficiencies.
 - ◆ Instituted monthly departmental expenditure reporting to the City Council.
 - ◆ Financial audit completed with no findings and no management letter items. GFOA award for financial statement preparation received.
 - ◆ Created and distributed a tri-fold pamphlet, "A Simple Guide to Finance Department Services" which has been replicated by several departments.
 - ◆ Conducted two lean trainings led by the State Auditor Office – one on Risk Management practices and one on the Cash Receipting / Banking process.
 - ◆ Finance Team received the Citywide Teamwork in Action Award.

2019-2020 Outcome Goals – *Strategic Goal 4*

- ◆ Support outreach and successfully administer new revenue streams and/or manage increases in existing revenue streams.
- ◆ Transition business license administration to the State system.
- ◆ Upgrade of work area.
- ◆ Continued refinement of the Priority Based Budgeting and the Whitebirch forecasting model.
- ◆ Issue the remainder of the voted debt and up to \$25 million in limited tax general obligation (LTGO) debt in support of the Public Safety Plan.
- ◆ Issue Banking Services RFP to secure a new banking contract.
- ◆ Further digitize the financial processes including going paperless for daily cash receipt packets, accounts payable processing and journal entry processing and storage.
- ◆ Enhance grant accounting services.
- ◆ Complete arbitrage calculations in compliance with Internal Revenue Service regulations.

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- ◆ Review for potential modification the indirect cost allocation model.
 - ◆ Revise the City's financial chart of accounts to help facilitate financial reporting and Priority Based Budgeting.
 - ◆ Establish convenience fee for processing telephone payments.
 - ◆ Consider establishing a convenience fee for processing all Finance related credit card transactions.
 - ◆ Improve the budgeting process by more fully utilizing the current EDEN budget software or by other means.
 - ◆ Utilize the EDEN capital asset module to track and account for the City's capital assets converting records from existing Excel platform.
 - ◆ Research and consider billing for water and sewer services every other month rather than monthly to create efficiencies and reduce costs.
 - ◆ Research and consider implementing a new utility billing system.
 - ◆ Change the payroll pay dates to accommodate implementation of new timekeeping systems, Telestaff and Lucity.
 - ◆ Establish and document a fleet funding policy.
 - ◆ Accrue tax revenue on a monthly or quarterly basis to improve financial reporting and analysis.
 - ◆ Update utility shut-off process by using printed notices in place of handwritten notices. Explore possibility of mailing notices instead of using door hangers.

2019-2020 Indicators of Success

- ◆ Institute new revenue stream or increases to existing revenue streams.
- ◆ Support the Public Safety Plan by issuing the remainder of voted debt and additional councilmanic debt.
- ◆ Streamline processes by implementing Tyler Cashiering System, incorporating new banking features and converting daily cash receipt packets from paper to electronic.

Performance Measures

	<i>Finance</i>				
	Actual			Projected	
	2016	2017	Estimated 2018	2019	2020
Number and value of transactions processed at the front counter	31,789	30,108	31,000	31,000	31,000
	\$ 3,539,698	\$ 36,172,422	\$ 38,000,000	\$ 39,000,000	\$ 40,000,000
Accounts payable transactions processed annually	14,916	15,555	16,221	16,916	17,640
Number of water, sewer and surface water bills mailed	43,650	44,035	44,435	30,000 ^(a)	30,000 ^(a)
Shut off notices distributed annually.	410	456	434	450	450
Approximate number of payroll transactions	10,995	11,205	11,419	11,637	11,859
Number of bank account entries recorded or reconciled annually	17,582	18,003	18,434	18,875	19,327
Number of business licenses processed	2,857	3,647	3,700	3,753	3,864

(a) A reduction of approximately 10,000 bills if surface water billing is transferred to King County

Budget Change Discussion:

Salaries and Benefits COLA and step increases were applied to salaries, and benefits were adjusted to account for changes in healthcare and retirement. Extra labor was decreased to more accurately reflect historical usage. Additionally, the Treasury Specialist position will be reconsidered for recruitment in the fourth quarter of 2018.

Supplies and Services Claims and Judgements and Professional Memberships were reduced in order to bring the budget for each more closely in line with historical trends. The department also seeks to reduce expenditures for travel, credit card fees, office supplies, and various communications expenses.

Department Detail:

Staffing and Expenditure by Program

PROGRAMS	FTE	BUDGET		PERCENT
		2019	2020	2019-20
Insurance & Risk Management	0.33	759,706	775,811	2.12%
Financial Reporting/CAFR/Audit	0.75	218,804	229,105	4.71%
Utility Billing	1.70	210,949	216,301	2.54%
Cashiering/Treasury/Banking/Unclaimed Property	1.12	209,676	213,696	1.92%
Payroll & Benefit Administration	1.37	196,636	203,803	3.6%
Accounts Payable/Juror Payments/CTR/SCORE/Valley Com	1.46	182,024	188,300	3.45%
Business License Administration	1.05	124,948	61,459	-50.81%
Budget Preparation	0.67	123,022	143,213	16.41%
Administration/Communication/Team building	0.37	75,381	77,097	2.28%
Debt Management	0.30	67,523	54,438	-19.38%
Financial Reporting & Analysis for Departments	0.31	63,362	67,061	5.84%
GL/Eden Administration	0.24	59,329	67,174	13.22%
Accounts Receivable/Misc. Billings/LID	0.38	51,449	55,324	7.53%
Grant Accounting	0.37	50,967	72,809	42.86%
Sales & Other Taxes	0.30	50,947	96,838	90.07%
Public Safety Plan	0.30	48,928	51,216	4.68%
Capital Asset Accounting	0.27	42,762	49,600	15.99%
Investment/Cash Management/reporting	0.30	40,020	41,522	3.75%
Indirect Cost Allocation	0.12	33,489	19,620	-41.41%
Long-Range Financial Planning Model	0.10	33,096	33,826	2.21%
Training & Development	0.18	26,498	27,197	2.64%
Emergency Preparedness	0.01	1,678	1,773	5.66%
PROGRAM TOTALS	12.00	2,671,195	2,747,185	2.8%

**Priority Based Budgeting was implemented beginning with the 2019 - 2020 biennium budget.*

Therefore, no historical data is available.

Expenditure Summary

Expenditures By Type	Finance							
	Actual			Budget			Percent Change	
	2016	2017	Projected 2018	2018	2019	2020	2018-19	2019-20
Salaries & Wages	\$ 993,607	\$ 1,055,190	\$ 1,070,965	\$ 1,143,844	\$ 1,162,381	\$ 1,202,770	1.62%	3.47%
Personnel Benefits	376,194	416,263	423,361	470,776	456,842	476,144	-2.96%	4.23%
Supplies	32,309	20,280	45,427	24,000	23,100	23,100	-3.75%	0.00%
Services	735,518	915,529	1,058,047	1,094,396	1,028,872	1,045,171	-5.99%	1.58%
Department Total	\$ 2,137,628	\$ 2,407,262	\$ 2,597,801	\$ 2,733,016	\$ 2,671,195	\$ 2,747,185	-2.26%	2.84%

Expenditure Detail - Salaries and Benefits

Salaries are based on actual costs for existing positions and include a cost of living adjustment per contract agreements.

<i>Finance</i>							
Position Description	2018	2019	2019 Budgeted		2020	2020 Budgeted	
	FTE	FTE	Salaries	Benefits	FTE	Salaries	Benefits
Finance Director	1	1	\$ 159,004	\$ 49,120	1	\$ 162,168	\$ 50,472
Deputy Finance Director	1	1	132,511	45,028	1	135,108	46,289
Fiscal Manager	0	1	110,800	38,757	1	118,704	41,197
Senior Fiscal Coordinator	1	1	100,826	37,296	1	108,008	39,618
Fiscal Coordinator	3	2	202,673	68,502	2	211,589	71,713
Fiscal Specialist	5	5	371,923	179,904	5	381,314	187,119
Fiscal Support Technician	1	1	49,644	34,767	1	50,879	36,268
Extra Labor			25,000	2,478		25,000	2,478
Overtime			10,000	991		10,000	991
Department Total	12	12	\$1,162,381	\$ 456,842	12	\$1,202,770	\$ 476,144

Expenditure Detail – Supplies, Services and Other

Supplies include miscellaneous office supplies; services include annual audit fees, liability insurance, software maintenance costs, travel, claims & judgments, subscriptions, and memberships, among others.

<i>Finance</i>							
Account Number	Actual			Budget			
	2016	2017	Projected 2018	2018	2019	2020	
000.05.514.230.31.00	Supplies - Office	\$ 26,306	\$ 16,378	\$ 39,950	\$ 19,000	\$ 18,100	\$ 18,100
000.05.514.230.35.00	Small Tools & Equipment - Equipment to improve functionality and processes	6,003	3,902	5,477	5,000	5,000	5,000
Total Supplies		32,309	20,280	45,427	24,000	23,100	23,100
000.05.514.230.41.00	Prof Svcs - Annual audit from State of WA Auditor's Office, Consultant in 2019 for arbitrage calculations, indirect cost allocation and in 2020 for budget and fixed asset Eden modules or new software, Crystal Reporting	138,681	273,471	154,397	165,000	186,000	186,000
000.05.514.230.41.01	Prof Svcs - Microflex sales tax auditing program	1,685	1,320	5,000	5,000	-	-
000.05.514.230.42.00	Communications - Postage, delivery service, internet card	56	479	480	1,000	600	600
000.05.514.230.43.00	Travel - Meals, parking, mileage for WFOA, PSFOA, software training	4,591	9,065	8,402	10,000	8,000	8,000
000.05.514.230.45.00	Rental - Copier lease	3,284	3,002	1,014	3,500	3,500	3,500
000.05.514.230.46.00	Insurance - Boiler and machinery	7,571	7,549	6,283	13,100	8,100	8,100
000.05.514.230.46.01	Insurance - Liability, crime and fidelity	330,968	345,106	389,236	385,996	386,772	400,309
000.05.514.230.48.00	R&M - Folding machine, other equipment, vault, Eden software annual maintenance	59,781	147,712	77,777	68,900	78,900	81,662
000.05.514.230.49.00	Misc - Annual memberships, GFOA, WFOA, armor car service, registrations	18,097	27,090	67,942	45,900	25,000	25,000
000.05.514.230.49.03	Misc - Claims & judgments	160,514	89,100	334,702	382,000	320,000	320,000
000.05.514.230.49.08	Misc - PPI credit card fees	10,291	11,636	12,813	14,000	12,000	12,000
Total Services		735,518	915,529	1,058,047	1,094,396	1,028,872	1,045,171
Total Supplies, Services and Other		\$ 767,827	\$ 935,809	\$ 1,103,474	\$ 1,118,396	\$ 1,051,972	\$ 1,068,271

DEPARTMENT: N/A
 FUND: Contingency Fund
 RESPONSIBLE MANAGER: Peggy McCarthy

DIVISION: N/A
 FUND NUMBER: 105
 POSITION: Director

Description

Sufficient fund balances and reserve levels are important for the long-term financial stability of the City. This fund provides for a reserve fund balance equal to or greater than 10% of the previous General Fund on-going revenue, exclusive of significant non-operating, non-recurring revenues such as real estate sales or transfers in from other funds. Amounts held in this fund can be used for more restrictive, emergency type purposes. All expenditures from this fund require Council approval. This fund is reported as a sub-fund of the general fund in the City's Comprehensive Annual Financial Report.

Expenditure & Revenue Summary

<i>Contingency Fund</i>								
	Actual			Budget			% Change	
	2016	2017	Projected 2018	2018	2019	2020	2018-19	2019-20
Operating Revenue								
Investment Earnings	\$ 29,666	\$ 45,736	\$ 77,582	\$ 20,000	\$ 90,000	\$ 90,000	350.0%	0.0%
Transfers In	433,682	180,715	92,672	-	58,568	210,000	0.0%	258.6%
Total Revenue	463,349	226,451	170,254	20,000	148,568	300,000	642.8%	101.9%
Operating Expenses								
Total Expenses	-	-	-	-	-	-	-	-
Beginning Fund Balance	5,587,275	6,050,624	6,277,075	5,874,563	6,447,329	6,595,897	9.7%	2.3%
Change in Fund Balance	463,349	226,451	170,254	20,000	148,568	300,000	642.8%	101.9%
Ending Fund Balance								
10% One-time Revenue	257,382	395,897	395,897	n/a	395,897	395,897	-	0.0%
Remainder/Main Reserve	5,793,242	5,881,178	6,051,432	n/a	6,200,000	6,500,000	-	4.8%
	\$ 6,050,624	\$ 6,277,075	\$ 6,447,329	\$ 5,894,563	\$ 6,595,897	\$ 6,895,897	11.9%	4.5%



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Peggy McCarthy, Finance Director

BY: Vicky Carlsen, Deputy Finance Director

CC: Mayor Ekberg

DATE: August 29, 2018

SUBJECT: Urban Renewal and General Government Improvement Fund 2019-2020
Proposed Budget

ISSUE

As provided for in the budget process approved by the Finance Committee, Council Committees will be reviewing budget sections prior to review by the full Council. The Urban Renewal and General Government funds section of the budget is ready for review by the Finance Committee.

BACKGROUND

The Urban Renewal fund is utilized to provide future funding needs to encourage redevelopment in specific areas throughout the City. Current projects tracked in this fund include Tukwila Village.

The General Government Improvement fund is used for improvements, additions, or other miscellaneous minor capital projects not provided for elsewhere. Projects that benefit multiple departments or functions are given priority.

DISCUSSION

Urban Renewal:

The proposed budget reflects minor costs associated with Tukwila Village. Transfers out are transferring out existing fund balance to the general fund to cover the cost of a one-time project for the fire department. Fund balance exists due to previous year land sale revenue

General Government Improvements:

The proposed budget includes a transfer in of \$300 thousand each year, which represents an increase of \$100,000. Planned projects include siding and roof repairs at both TCC and City Hall.

RECOMMENDATION

Staff recommends that the Finance Committee forward these sections of the budget on to the Committee of the Whole for review. If there are no recommended changes, Council consensus will be requested to move this budget forward to the final budget package in November.

ATTACHMENTS

Draft Urban Renewal and General Government Improvement Funds 2019-2020 Proposed Budgets
CIP pages

DEPARTMENT:
FUND: Urban Renewal
RESPONSIBLE MANAGER: Henry Hash

FUND NUMBER: 302
POSITION: Director

Description

The Urban Renewal fund has been established to provide future funding needs to encourage redevelopment in specific areas throughout the City.

2017-2018 Accomplishments

- ◆ Closed sale of phase one land to Tukwila Village developer.
- ◆ Completed construction of phase 1 and held community celebration.
- ◆ Formed a non-profit community organization to manage the Sullivan Center.
- ◆ City Council selected HealthPoint to develop a new Health and Wellness Center which will include primary care medical, dental, behavioral health and other services.

2019-2020 Outcome Goals

- ◆ Complete the final phase of Tukwila Village.
- ◆ Execute a purchase and sale agreement with HealthPoint.
- ◆ Sell the former Traveler's Choice motel property.
- ◆ Sell the former Newporter Motel property.

2019-2020 Indicators of Success

- ◆ Tukwila Village is completed.
- ◆ City and HealthPoint execute a purchase and sale agreement.
- ◆ City sells Traveler's Choice and Newporter sites.

Revenue and Expenditure Summary

<i>Urban Renewal</i>									
	Actual			Budget			Percent Change		
	2016	2017	2018*	2018	2019	2020	2018-19	2019-2020	
Operating Revenue									
Miscellaneous Revenue									
Investment Earnings	\$ 2,706	\$ 12,252	\$ 21,206	\$ 3,600	\$ 10,000	\$ 10,000	177.78%	0.00%	
Interfund Loan Received	-	-	-	-	-	-			
Other Misc Revenue	-	-	-	-	-	-	0.00%	0.00%	
Total Miscellaneous Revenue	2,706	12,252	21,206	3,600	10,000	10,000	177.78%	0.00%	
Total Operating Revenue	2,706	12,252	21,206	3,600	10,000	10,000	177.78%	0.00%	
Capital Project Revenue									
Sale of Tukwila Village/Phase 1	-	-	-	4,311,000	-	-	0.00%	0.00%	
Total Revenue	2,706	12,252	21,206	4,314,600	10,000	10,000	-99.77%	0.00%	
Capital Projects									
Tukwila Village	17,553	50,314	9,811	15,000	15,000	15,000	0.00%	0.00%	
City Facilities	34,059	-	-	21,000	-	-	0.00%	0.00%	
TIB Redevelopment	845,599	3,810	3,500	-	20,000	-	0.00%	0.00%	
Total Capital Projects	897,211	54,124	13,311	36,000	35,000	15,000	-2.78%	-57.14%	
Transfer to General Fund	-	300,000	-	6,050,000	200,000	200,000	-96.69%	0.00%	
Total Expenses	897,211	354,124	13,311	6,086,000	235,000	215,000	-96.14%	-8.51%	
Beginning Fund Balance	3,441,546	2,547,041	2,205,169	1,747,306	2,213,064	1,988,064	26.66%	-10.17%	
Change in Fund Balance	(894,505)	(341,872)	7,895	(1,771,400)	(225,000)	(205,000)	-87.30%	-8.89%	
Ending Fund Balance	\$ 2,547,041	\$ 2,205,169	\$ 2,213,064	\$ (24,094)	\$ 1,988,064	\$ 1,783,064	-8351.28%	-10.31%	

*Projected

Expenditure Detail – Supplies, Services and Other

Services include costs associated with the Public Safety Plan, consulting, and engineering. Capital includes the purchase of property and costs associated with urban renewal projects.

<i>Urban Renewal</i>						
Account Number	Actual			Budget		
	2016	2017	2018*	2018	2019	2020
302.98.518.200.41.00 Prof Svcs - Feasibility study	33,357	-	-	-	-	-
302.98.518.200.43.00 Travel - Mileage, parking	-	-	-	-	-	-
302.98.518.200.44.00 Advertising - Bid ads	702	-	-	-	-	-
302.98.518.200.49.00 Misc - Tukwila Village	-	5,521	-	-	-	-
302.98.559.300.41.00 Prof Svcs - Consulting, engineering	775,434	38,121	-	-	-	-
302.98.559.300.43.00 Travel -	12	-	-	-	-	-
302.98.559.300.45.00 Rental - TIB redevelopment	1,530	-	-	-	-	-
302.98.559.300.47.00 Public Utilities - TIB redevelopment	69	-	-	-	-	-
302.98.559.300.47.21 Public Utilities - TIB redevelopment	(97)	85	-	-	-	-
302.98.559.300.47.22 Public Utilities - TIB redevelopment	248	-	-	-	-	-
302.98.559.300.47.25 Public Utilities - TIB redevelopment	10,964	117	-	-	-	-
302.98.559.300.47.26 Public Utilities - TIB redevelopment	12,285	10,281	-	-	-	-
302.98.559.300.49.00 Misc - TIB redevelopment	632	-	-	-	-	-
302.98.594.180.41.00 Prof Svcs - Consulting, engineering	-	-	3,695	25,000	-	-
302.98.594.190.47.25 Utilities - Water/sewer	-	-	201	-	-	-
302.98.594.190.47.26 Utilities - Surface water	-	-	9,415	-	-	-
Total Services	835,135	54,124	13,311	25,000	-	-
302.98.594.180.61.00 Capital - Land (Right of Way)	-	-	-	11,000	35,000	15,000
Total Other	-	-	-	11,000	35,000	15,000
Total Supplies, Services and Other	\$ 835,135	\$ 54,124	\$ 13,311	\$ 36,000	\$ 35,000	\$ 15,000

*Projected

DEPARTMENT: N/A

FUND: General Government Improvement

RESPONSIBLE MANAGER: Henry Hash

FUND NUMBER: 303

POSITION: Director

Description:

The General Government Improvement fund is used for improvements, additions, or other miscellaneous minor capital projects not provided for elsewhere. Projects which benefit multiple departments or functions will be given priority.

2017-2018 Accomplishments

- ◆ Remodeled Technology and Innovation Services office area.
- ◆ Completed additional card access security at City Hall.
- ◆ Repaired brick walkway grout at City Hall and Tukwila Community Center.
- ◆ Completed HVAC improvements to City hall and 6300 Bldg.
- ◆ Completed Phase I of Tukwila Community Center siding repairs.

2019-2020 Outcome Goals

- ◆ Improve conditions of existing facilities.

2019-2020 Indicators of Success

- ◆ Complete siding/roof repairs at City Hall.
- ◆ Complete siding/roof repairs at Tukwila Community Center.

Revenue and Expenditure Summary

General Government Improvements								
	Actual			Budget			Percent Change	
	2016	2017	2018*	2018	2019	2020	2018-19	2019-20
Operating Revenue								
Miscellaneous Revenue								
Investment Earnings	\$ 1,156	\$ 2,487	\$ 3,113	\$ 500	\$ 500	\$ 500	0.00%	0.00%
Total Miscellaneous Revenue	1,156	2,487	3,113	500	500	500	0.00%	0.00%
Total Operating Revenue	1,156	2,487	3,113	500	500	500	0.00%	0.00%
Transfers In	200,000	200,000	200,000	200,000	300,000	300,000	50.00%	0.00%
Total Revenue	201,156	202,487	203,113	200,500	300,500	300,500	49.88%	0.00%
Operating Expenses								
Salaries & Wages	45,719	40,576	15,349	101,487	111,312	114,072	9.68%	2.48%
Personnel Benefits	15,239	13,525	3,837	29,153	41,782	43,943	43.32%	5.17%
Supplies	-	-	-	-	-	-	0.00%	0.00%
Services	-	-	-	-	-	-	0.00%	0.00%
Intergov't Services & Taxes	-	-	-	-	-	-	0.00%	0.00%
Total Operating Expenses	60,958	54,101	19,186	130,640	153,094	158,015	17.19%	3.21%
Projects								
Fire Station #51 EOC Remodel	3,811	-	-	-	-	-	0.00%	0.00%
6300 Bldg - TIS Remodel	-	48,331	-	-	-	-	0.00%	0.00%
Fire Station #53 Replace Carpet	-	11,806	-	-	-	-	0.00%	0.00%
Police Vehicle Evidence Storage	42,451	-	-	-	-	-	0.00%	0.00%
6300 Water Service Replace.	45,716	-	-	-	-	-	0.00%	0.00%
City Hall Siding/Roof Repairs	456	16,806	-	-	100,000	-	0.00%	0.00%
TCC Siding/Roof Repairs	17,208	63,058	150,000	-	150,000	-	0.00%	0.00%
City Hall Card Access/ADA	12,801	29,132	-	-	-	-	0.00%	0.00%
City Hall HVAC	-	-	18,984	-	-	-	0.00%	0.00%
6300 Bldg HVAC	-	-	20,984	-	-	-	0.00%	0.00%
Concrete Repairs	16,371	-	-	-	-	-	0.00%	0.00%
Misc projects	6,513	2,355	25,000	69,360	50,000	141,985	-27.91%	183.97%
Total Projects	145,327	171,488	214,968	69,360	300,000	141,985	332.53%	-52.67%
Total Expenses	206,285	225,589	234,154	200,000	453,094	300,000	126.55%	-33.79%
Beginning Fund Balance	397,033	391,904	368,802	244,055	337,761	185,167	38.40%	-45.18%
Change in Fund Balance	(5,129)	(23,102)	(31,041)	500	(152,594)	500	-30618.80%	-100.33%
Ending Fund Balance	\$ 391,904	\$ 368,802	\$ 337,761	\$ 244,555	\$ 185,167	\$ 185,667	-24.28%	0.27%

*Projected

Expenditure Detail - Salaries and Benefits

Salaries are based on actual costs for existing positions and include a cost of living adjustment per contractual agreements.

<i>General Government Improvements</i>							
Position Description	2018	2019	2019 Budgeted		2020	2020 Budgeted	
	FTE	FTE	Salaries	Benefits	FTE	Salaries	Benefits
Project Manager	1	1	\$ 111,855	\$ 41,592	1	\$ 114,072	\$ 43,105
Department Total	1	1	\$ 111,855	\$ 41,592	1	\$ 114,072	\$ 43,105

Expenditure Detail – Supplies, Services and Other

All budgeted expenditures in the 2019-2020 biennium are anticipated to be capital project related.

<i>General Government Improvements</i>						
Account Number	Actual			Budget		
	2016	2017	2018*	2018	2019	2020
303.98.518.300.31.00 Small Tools - Repair related	\$ 73	\$ -	\$ -	\$ -	\$ -	\$ -
303.98.521.230.31.00 Supplies - Office & Operating	326	-	-	-	-	-
303.98.594.110.35.00 Supplies - Office & Operating	-	-	19,935	-	-	-
303.98.594.180.35.00 Supplies - Office & Operating	-	-	137,705	-	-	-
Total Supplies	399	-	157,640	-	-	-
303.98.518.300.41.00 Prof Svcs - Consulting, etc.	4,146	-	-	-	-	-
303.98.518.300.48.00 R&M - City Hall siding/roofing repair	57,944	15,732	-	-	-	-
303.98.521.230.48.00 Prof Svcs - PD Vehicle Evidence Storage	39,870	333	-	-	-	-
303.98.522.100.48.00 R&M - FS 53 replace carpet	3,811	11,439	-	-	-	-
303.98.575.500.41.00 R&M - TCC siding/roofing repair	16,692	1,680	-	-	-	-
303.98.575.500.48.00 Prof Svcs - TCC siding/roofing repair	-	61,178	-	-	-	-
303.98.594.180.41.00 Prof Svcs - General services	-	-	-	20,000	20,000	20,000
303.98.594.180.48.00 R&M - Repair to various City facilities	-	25,675	-	-	-	-
Total Services	122,463	116,037	-	20,000	20,000	20,000
303.98.594.180.65.00 Capital - Various minor construction	11,509	42,241	-	130,000	200,000	200,000
303.98.594.480.65.00 Capital - Howard Hanson Dam	270	-	-	-	-	-
303.98.594.240.65.00	11,779	42,241	-	130,000	200,000	200,000
Total Supplies, Services and Other	\$ 134,641	\$ 158,277	\$ 157,640	\$ 150,000	\$ 220,000	\$ 220,000

*Projected

City of Tukwila
CAPITAL IMPROVEMENT PROGRAM
 for
 2019 - 2024

**URBAN RENEWAL
 302 Fund**

CIP Page #	PROJECT TITLE	2019	2020	2021	2022	2023	2024	TOTAL	**Other Sources	After Six Years
44	Tukwila Village	15	15	0	0	0	0	30	0	0
45	TIB Redevelopment (Motels)	20	0	0	0	0	0	20	2,250	0
Grand Total		35	15	0	0	0	0	50	2,250	0

*** Denotes other funding sources, grants, or mitigation.*

Changes from 2017 to 2019 CIP:

None.

CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2019 to 2024

PROJECT: Tukwila Village

Project No. 90030222

DESCRIPTION: The City is selling 5.76 acres of property at Tukwila International Boulevard and South 144th Street that is intended for a mixed-use development including a library, plaza, office, retail, and other amenities.

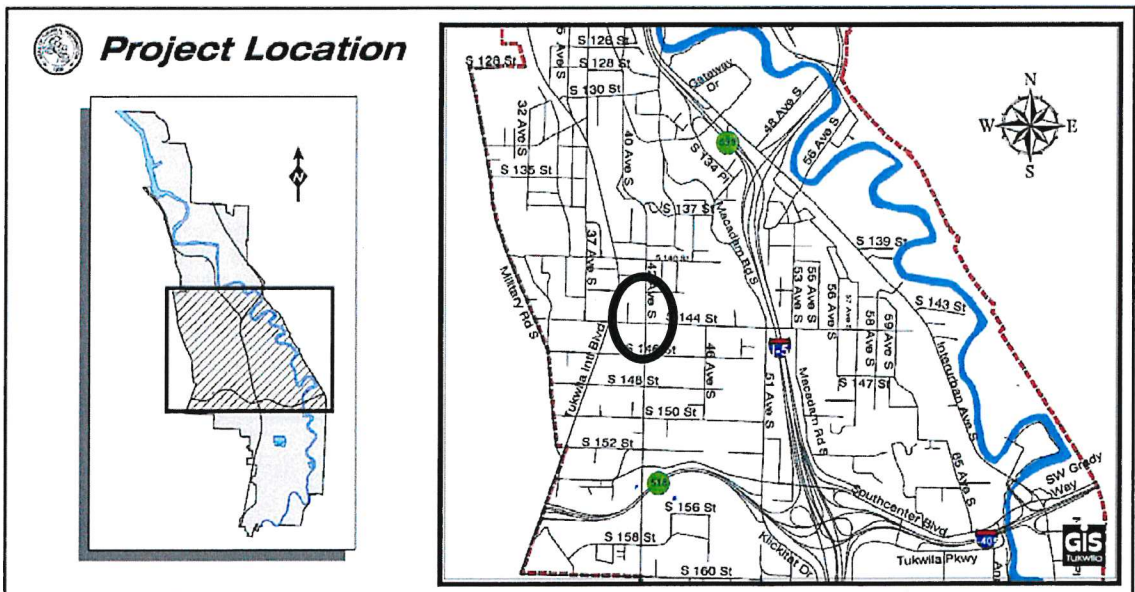
JUSTIFICATION: The new development will help revitalize the neighborhood.

STATUS: The library and Phase 1 (Buildings D and E, Sullivan Center, and plaza) were completed in 2017. Final land sale should occur in early 2019. Building A will re-start construction in late 2018 and open in 2019. Building B will open in 2020.

MAINT. IMPACT:

COMMENT: Land sales reflect the Library for \$500,000 in 2015. Sale of land to Tukwila Village developer for \$4.5m and Newporter motel site for \$1m are shown elsewhere in the CIP. The Gregor House (estimated at \$300,000) is not anticipated to be sold and therefore not shown.

FINANCIAL (in \$000's)	Through 2017	Estimated 2018	2019	2020	2021	2022	2023	2024	BEYOND	TOTAL
EXPENSES										
Design/Engineering	1,756									1,756
Land (R/W)	7,598	30	15	15						7,658
Construction	230	0								230
TOTAL EXPENSES	9,584	30	15	15	0	0	0	0	0	9,644
FUND SOURCES										
Awarded Grant										0
Proposed Grant										0
Land Sale	500									500
Bonds	5,550									5,550
City Oper. Revenue	3,534	30	15	15	0	0	0	0	0	3,594
TOTAL SOURCES	9,584	30	15	15	0	0	0	0	0	9,644



CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2019 to 2024

PROJECT: TIB Redevelopment (Motels)

Project No. 91330201

DESCRIPTION: Tukwila International Blvd (TIB) Redevelopment Project is for the acquisition and disposition of properties within and adjacent to the City's Urban Renewal Area.

JUSTIFICATION: Improve the neighborhood's safety by eliminating the high amounts of crime associated with the Boulevard Motel, Great Bear Motel, Smoke Shop, Spruce Motel, and Travelers Choice Motel.

STATUS: City completed acquisition in 2015 and demolition in 2016. HealthPoint is planning to develop a new health and wellness center on the majority of the site. City will sell the Travelers Choice separately in 2020.

MAINT. IMPACT: Upkeep of property until development.

COMMENT: Debt service costs are not shown below (see Attachment A).

FINANCIAL (in \$000's)	Through		Estimated							BEYOND	TOTAL
	2017	2018	2019	2020	2021	2022	2023	2024			
EXPENSES											
Engineering	394									394	
Land (R/W)	5,205	30	20							5,255	
Const. Mgmt.	175									175	
Construction	607									607	
TOTAL EXPENSES	6,381	30	20	0	0	0	0	0	0	6,431	
FUND SOURCES											
Awarded Grant										0	
Land Sale				2,250						2,250	
Bonds	6,100									6,100	
City Oper. Revenue	281	30	20	(2,250)	0	0	0	0	0	(1,919)	
TOTAL SOURCES	6,381	30	20	0	0	0	0	0	0	6,431	

