

# COUNCIL AGENDA SYNOPSIS



-----Initials-----				ITEM No.
Meeting Date	Prepared by	Mayor's review	Council review	3.B. & 4.B.
<b>11/13/18</b>	<b>VC</b>	<i>CD</i>	<i>CD</i>	

## ITEM INFORMATION

	STAFF SPONSOR: <b>VICKY CARLSEN</b>	ORIGINAL AGENDA DATE: <b>11/13/18</b>
AGENDA ITEM TITLE <b>Ordinance adopting the 2019 - 2020 Biennial Budget and a resolution adopting the 2019 - 2024 Capital Improvement Program</b>		
CATEGORY	<input checked="" type="checkbox"/> Discussion <i>Mtg Date 11/13/18</i>	<input type="checkbox"/> Motion <i>Mtg Date</i>
	<input type="checkbox"/> Resolution <i>Mtg Date</i>	<input type="checkbox"/> Ordinance <i>Mtg Date</i>
	<input type="checkbox"/> Bid Award <i>Mtg Date</i>	<input checked="" type="checkbox"/> Public Hearing <i>Mtg Date 11/13/16</i>
	<input type="checkbox"/> Other <i>Mtg Date</i>	
SPONSOR <input type="checkbox"/> Council <input type="checkbox"/> Mayor <input type="checkbox"/> HR <input type="checkbox"/> DCD <input type="checkbox"/> Finance <input type="checkbox"/> Fire <input type="checkbox"/> TS <input type="checkbox"/> P&R <input type="checkbox"/> Police <input type="checkbox"/> PW <input type="checkbox"/> Court		
SPONSOR'S SUMMARY <b>City Council is being asked to approve an ordinance adopting the 2019 - 2020 Biennial Budget and a resolution adopting the 2019 - 2024 Capital Improvement Program. The ordinance and resolution are scheduled for Council consideration at the 11/13/18 Committee of the Whole and will then be scheduled for a future Regular Meeting at the direction of the Council President, after all budget deliberations have occurred.</b>		
REVIEWED BY <input type="checkbox"/> C.O.W. Mtg. <input type="checkbox"/> CDN Comm <input checked="" type="checkbox"/> Finance Comm. <input type="checkbox"/> Public Safety Comm. <input type="checkbox"/> Trans & Infrastructure <input type="checkbox"/> Arts Comm. <input type="checkbox"/> Parks Comm. <input type="checkbox"/> Planning Comm.		
DATE: <b>11/6/18</b> COMMITTEE CHAIR: <b>QUINN</b>		
RECOMMENDATIONS: SPONSOR/ADMIN. <b>Finance/Public Works</b> COMMITTEE <b>Unanimous Approval; Forward to Committee of the Whole</b>		
<b>COST IMPACT / FUND SOURCE</b>		
EXPENDITURE REQUIRED <b>\$442,865,403</b>	AMOUNT BUDGETED <b>\$</b>	APPROPRIATION REQUIRED <b>\$442,865,403</b>
Fund Source: Comments:		
<b>MTG. DATE</b>	<b>RECORD OF COUNCIL ACTION</b>	
<b>11/13/18</b>		
<b>MTG. DATE</b>	<b>ATTACHMENTS</b>	
<b>11/13/18</b>	<b>Informational Memorandum dated 10/31/18 (Updated after Finance Com.)</b>	
	<b>Draft Ordinance (See page 1 of Ordinance for changes brought to Finance Com.)</b>	
	<b>Draft Resolution</b>	
	<b>Reconciliation of the 2019- 2020 Budget Summary to Ordinance</b>	
	<b>Minutes from the Finance Committee meeting 11/6/18</b>	





## **INFORMATIONAL MEMORANDUM**

**TO: Finance Council Committee**

**FROM: Peggy McCarthy, Finance Director**

**BY: Vicky Carlsen, Deputy Finance Director**

**CC: Mayor Ekberg**

**DATE: October 31, 2018**

**SUBJECT: 2019 – 2020 Biennial Budget Ordinance  
2019 – 2024 Financial Planning Model and Capital Improvement Program  
Updated after November 6, 2018 Finance Committee**

### **ISSUE**

Adopt the 2019 – 2020 biennial budget and the 2019 – 2024 Capital Improvement Program (CIP) by the end of December.

### **BACKGROUND**

The proposed biennial budget for 2019 – 2020 and draft 2019 – 2024 CIP were presented to Council on October 1, 2018. Departments within the general fund and all other funds have been reviewed in Council Committees and at the Council Committee of the Whole. Additionally, Council held budget workshops on September 9 and October 24, 2018, to discuss both the budget and CIP. Additional workshops may be scheduled before final adoption.

### **DISCUSSION**

At this time the proposed 2019 – 2020 biennial budget as well as the 2019 – 2024 CIP is being presented to the Finance Committee for review and discussion. The public hearing, another opportunity for community input, is scheduled for Tuesday, November 13, 2018.

The ordinance and resolution are in draft form and will be updated prior to final adoption if any changes are made to either the proposed biennial budget or the CIP.

#### Update after November 6, 2018 Finance Committee Meeting

At the Finance Committee meeting, a revised ordinance to adopt the 2019 – 2020 biennial budget was presented to the committee that included a section to allow for the implementation of a COLA for non-represented employees as provided for in Resolution No. 1796 Compensation Policy.

The budget has been drafted to include a COLA adjustment and adding the new section 2 into the budget adoption ordinance would give authority for a COLA of 90% of CPI for non-represented employees to be implemented on January 1, 2019.

### **RECOMMENDATION**

The Finance Committee is being asked to approve the 2019 – 2020 biennial budget ordinance and the 2019 – 2024 Financial Planning Model and Capital Improvement Plan resolution and forward to the Committee of the Whole. The ordinance and resolution are scheduled for Council consideration at the 11/13/18 Committee of the Whole and will then be scheduled for a future Regular Meeting at the direction of the Council President, after all budget deliberations have occurred.

### **ATTACHMENTS**

Draft Budget Ordinance/Reconciliation of 2019 – 2020 Budget Summary to Ordinance/Draft CIP Resolution



# DRAFT

NOTE: Strike-through/underline text (new Section 2) reflects revisions discussed at the 11-6-18 Finance Committee meeting.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON; ADOPTING THE BIENNIAL BUDGET OF THE CITY OF TUKWILA FOR THE 2019-2020 BIENNIUM; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the preliminary budget of the City of Tukwila for the 2019-2020 biennium was submitted to the City Council in a timely manner for their review; and

**WHEREAS**, a Public Hearing on the proposed budget was advertised and held on November 13, 2018;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:**

**Section 1.** The City Council hereby adopts the document entitled "City of Tukwila 2019-2020 Budget," incorporated by this reference as if fully set forth herein, in accordance with RCW 35A.34.120.

**Section 2.** Cost of living adjustments (COLAs) for non-represented employees shall be implemented per the City Council's Compensation Policy.

**Section 23.** The totals of the estimated revenues and appropriations for each separate fund and the aggregate totals are as follows:

Fund	Total Expenditures	Total Revenues
000 General	\$144,629,376	\$ 144,629,376
105 Contingency	6,895,897	6,895,897
101 Hotel/Motel	2,951,302	2,951,302
103 City Street	12,539,621	12,539,621
104 Arterial Street	57,637,865	57,637,865
109 Drug Seizure Fund	336,507	336,507
2XX LTGO Debt Service Funds	9,957,242	9,957,242
213 Unlimited Tax G.O. Bonds	6,594,967	6,594,967
206 LID Guaranty	685,637	685,637
233 2013 LID	2,064,537	2,064,537
301 Land Acquisition, Recreation & Park Dev.	1,264,196	1,264,196
302 Facility Replacement	2,233,064	2,233,064
303 General Government Improvements	738,761	738,761
304 Fire Improvements	1,007,612	1,007,612
305 Public Safety Plan	82,136,549	82,136,549
306 City Facilities	9,414,000	9,414,000
401 Water	19,990,522	19,990,522
402 Sewer	28,998,430	28,998,430
411 Foster Golf Course	4,281,881	4,281,881
412 Surface Water	20,542,959	20,542,959
501 Equipment Rental	10,715,532	10,715,532
502 Insurance Fund	14,591,012	14,591,012
503 Insurance - LEOFF 1 Fund	1,060,079	1,060,079
611 Firemen's Pension	1,597,856	1,597,856
Total All Funds Combined	\$442,865,403	\$ 442,865,403

**Section 34.** A complete copy of the final budget for 2019-2020, as adopted, together with a copy of this adopting ordinance, shall be kept on file in the City Clerk's Office, and a copy shall be transmitted by the City Clerk to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

**Section 45. Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

**Section 56. Severability.** If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

**Section 67. Effective Date.** This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Christy O'Flaherty, MMC, City Clerk

\_\_\_\_\_  
Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

\_\_\_\_\_  
Rachel B. Turpin, City Attorney

Filed with the City Clerk: \_\_\_\_\_  
Passed by the City Council: \_\_\_\_\_  
Published: \_\_\_\_\_  
Effective Date: \_\_\_\_\_  
Ordinance Number: \_\_\_\_\_





# DRAFT

## **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE 2019-2024 FINANCIAL PLANNING MODEL AND THE CAPITAL IMPROVEMENT PROGRAM FOR GENERAL GOVERNMENT AND THE CITY'S ENTERPRISE FUNDS.**

**WHEREAS**, when used in conjunction with the biennial City budget, the Capital Improvement Program (CIP) and the Financial Planning Model for the period of 2019-2024 are resource documents to help plan directions the City will consider for the future; and

**WHEREAS**, the Financial Planning Model and Capital Improvement Program are not permanent fixed plans, but are guidelines or tools to help reflect future goals and future resources at the time budgets are being planned; and

**WHEREAS**, the commitment of funds and resources can only be made through the budget process;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The City Council hereby adopts the 2019-2024 Financial Planning Model and accompanying Capital Improvement Program, incorporated by this reference as if fully set forth herein.

**Section 2.** A copy of the 2019-2024 Financial Planning Model and accompanying Capital Improvement Program shall be kept on file electronically by the City Clerk and accessible from the City's website in accordance with Washington State records retention schedule requirements and City policy, and shall be made available to the public upon request.

**Section 3.** The assumptions, revenues and expenditures will be reviewed and updated biennially, or as necessary, by the City Council.

**Section 4.** The detail of Capital Improvement Program projects will be reflected in the published Financial Planning Model and Capital Improvement Program 2019-2024.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Christy O'Flaherty, MMC, City Clerk

\_\_\_\_\_  
Verna Seal, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: \_\_\_\_\_

Passed by the City Council: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

\_\_\_\_\_  
Rachel B. Turpin, City Attorney

### Reconciliation of 2019 – 2020 Budget Summary to Ordinance

EXPENDITURES	2019 Expenditures	2020 Expenditures	2020 Ending Fund Balance	Total Expenditures
000 General	\$ 65,275,209	\$ 65,778,779	\$ 13,575,388	\$144,629,376
101 Hotel/Motel	693,131	695,498	1,562,673	2,951,302
103 City Street	6,616,000	5,701,000	222,621	12,539,621
104 Arterial Street	8,404,599	48,935,382	297,884	57,637,865
105 Contingency	-	-	6,895,897	6,895,897
109 Drug Seizure Fund	60,000	60,000	216,507	336,507
2XX LTGO Debt Service Funds	4,979,263	4,589,893	388,086	9,957,242
213 UTGO Bonds	2,841,675	3,713,175	40,117	6,594,967
206 LID Guaranty	-	-	685,637	685,637
233 2013 LID	688,637	668,613	707,287	2,064,537
301 Land Acquisition, Recreation & Park Dev.	605,000	50,000	609,196	1,264,196
302 Facility Replacement	235,000	215,000	1,783,064	2,233,064
303 General Government Improvements	353,094	358,015	27,652	738,761
304 Fire Improvements	500,000	500,000	7,612	1,007,612
305 Public Safety Plan	39,896,578	40,028,146	2,211,825	82,136,549
306 City Facilities	4,629,000	4,785,000	(0)	9,414,000
401 Water	7,650,901	9,000,238	3,339,382	19,990,522
402 Sewer	10,774,916	9,783,035	8,440,480	28,998,430
411 Foster Golf Course	1,765,345	1,810,408	706,128	4,281,881
412 Surface Water	8,933,224	7,302,426	4,307,309	20,542,959
501 Equipment Rental	4,435,204	3,777,658	2,502,670	10,715,532
502 Insurance Fund	6,904,662	7,412,104	274,247	14,591,012
503 Insurance - LEOFF 1 Fund	465,755	489,313	105,011	1,060,079
611 Firemen's Pension	69,991	69,991	1,457,874	1,597,856
Total	\$ 176,777,183	\$ 215,723,673	\$ 50,364,547	\$442,865,403

REVENUES	2019 Beginning Fund Balance	2019 Revenues	2020 Revenues	Total Revenues
000 General	\$ 12,590,576	\$ 65,739,600	\$ 66,299,200	\$144,629,376
101 Hotel/Motel	1,370,302	778,000	803,000	2,951,302
103 City Street	2,826,621	4,002,000	5,711,000	12,539,621
104 Arterial Street	3,621,865	6,369,000	47,647,000	57,637,865
105 Contingency	6,447,329	148,568	300,000	6,895,897
109 Drug Seizure Fund	226,507	55,000	55,000	336,507
2XX LTGO Debt Service Funds	387,669	4,979,262	4,590,311	9,957,242
213 UTGO Bonds	40,117	2,841,675	3,713,175	6,594,967
206 LID Guaranty	685,037	300	300	685,637
233 2013 LID	707,287	688,637	668,613	2,064,537
301 Land Acquisition, Recreation & Park Dev.	1,019,476	128,320	116,400	1,264,196
302 Facility Replacement	2,213,064	10,000	10,000	2,233,064
303 General Government Improvements	337,761	200,500	200,500	738,761
304 Fire Improvements	7,412	500,100	500,100	1,007,612
305 Public Safety Plan	13,038,494	66,414,346	2,683,709	82,136,549
306 City Facilities	1,914,000	7,500,000	-	9,414,000
401 Water	5,149,522	7,317,000	7,524,000	19,990,522
402 Sewer	9,174,430	9,912,000	9,912,000	28,998,430
411 Foster Golf Course	640,081	1,793,900	1,847,900	4,281,881
412 Surface Water	3,482,959	9,070,000	7,990,000	20,542,959
501 Equipment Rental	3,874,899	3,619,089	3,221,544	10,715,532
502 Insurance Fund	1,137,704	6,563,872	6,889,436	14,591,012
503 Insurance - LEOFF 1 Fund	527,005	266,533	266,541	1,060,079
611 Firemen's Pension	1,449,856	74,000	74,000	1,597,856
Total	\$ 72,869,972	\$ 198,971,702	\$171,023,729	\$442,865,403



**B. TAX LEVY LEGISLATION**

Staff is seeking Council approval of two ordinances relating to property tax: one that would increase the City’s Regular Property Tax Levy from 2018, and one that would levy general and excess property taxes. These ordinances are presented to the Council on an annual basis. According to the King County Assessor, the projected assessed value for Tukwila is \$6,709,378,301. The ordinance to set the general tax levy also includes the excess levy related to the Public Safety Plan, which will be assessed as long as the bonds are outstanding. The total excess levy requirement for 2019 is \$2,840,000 with an approximate levy rate of \$0.43 per thousand. The maximum allowable levy is estimated to be \$3.49003, but due to the 1% limitation, the preliminary levy rate is estimated to be \$2.37331. **UNANIMOUS APPROVAL. FORWARD TO NOVEMBER 13, 2018 COMMITTEE OF THE WHOLE.**



**C. BUDGET LEGISLATION**

Staff is seeking Council approval of an ordinance to adopt the 2019-2020 Biennial Budget and a resolution to adopt the 2019-2020 Financial Planning Model and Capital Improvement Program. These are the legislative mechanisms to adopt the budget and CIP but the Council still has budget discussion scheduled for the next several Council meetings. **FORWARD TO NOVEMBER 13, 2018 COMMITTEE OF THE WHOLE FOR PUBLIC HEARING.**

**D. RESOLUTION: FINANCIAL POLICIES**

Staff is seeking Council approval of a resolution that would amend the General Financial Policies that are included as appendices to the adopted Budget and Capital Improvement Program. The policies represent values and expectations for financial planning, budging, accounting, report and other management practices. Revisions for the next biennium include two new policies and minor adjustments to the others. Proposed new policy FP-7 would clarify the interpretation of TMC 3.32.040 to mean that if sufficient appropriation exists to cover a capital purchase within the Mayor’s signing authority, it is deemed budgeted and does not require Committee approval. Proposed new policy GF-6 states that the City Council will receive a list of contracts on a quarterly basis, proposed to begin in 1<sup>st</sup> Quarter 2019. Councilmember Kruller questioned whether the proposed interpretation of “unbudgeted” in TMC 3.32.040 would reduce Council’s visibility to certain transactions. Councilmember Robertson expressed that Council time could be better spent on more impactful issues and he supports the interpretation. Committee Chair Quinn indicated this interpretation, along with the new policy on contract reporting, would move the Council forward. Policy GF-5 was also discussed, though no revisions to this policy were proposed. **UNANIMOUS APPROVAL. FORWARD TO NOVEMBER 13, 2018 COMMITTEE OF THE WHOLE.**

**E. AGREEMENT: BUSINESS LICENSING**

Staff is seeking Council approval of an agreement with the Washington State Department of Revenue Business License Services (BLS) to establish the terms under which BLS will act as the City’s agent for processing business licenses. Engrossed House Bill 2005 requires any city with a general business license to partner with the state on a combined license service. **UNANIMOUS APPROVAL. FORWARD TO NOVEMBER 19, 2018 REGULAR CONSENT AGENDA.**