



City of Tukwila
Finance Committee

- ◆ Thomas McLeod, Chair
- ◆ Verna Seal
- ◆ De'Sean Quinn

Distribution:	
T. McLeod	Mayor Ekberg
V. Seal	D. Cline
D. Quinn	R. Bianchi
K. Hougardy	C. O'Flaherty
D. Robertson	L. Humphrey
K. Kruller	
Z. Idan	

AGENDA

MONDAY, MARCH 25, 2019 – 5:30 PM
HAZELNUT CONFERENCE ROOM
 (At east entrance of City Hall)

Item	Recommended Action	Page
1. PRESENTATION(S)		
2. BUSINESS AGENDA		
a. Reappointments to the Public Safety Bond Financial Oversight Committee. <i>Laurel Humphrey, Council Analyst</i>	a. Forward to 4/1 Regular Meeting.	Pg.1
b. January 2019 departmental budget-to-actuals report. <i>Jeff Friend, Fiscal Manager</i>	b. Discussion only.	Pg.5
c. An update from the Technology and Innovation Services Department. <i>Joseph Todd, Technology and Innovation Services Director</i>	c. Discussion only.	Pg.9
3. MISCELLANEOUS	Discussion only.	
Due to the cancellation of the 3/11 Finance Committee meeting, the following 3 items were distributed under separate cover to the Committee members. Staff will be available for questions from the Committee.		
<ul style="list-style-type: none"> • Update on priority-based budgeting. <i>Vicky Carlsen, Deputy Finance Director</i> • 2018 4th Quarter sales tax and miscellaneous revenue report. <i>Aaron Williams, Fiscal Manager</i> • Briefing on sales tax audit. <i>Peggy McCarthy, Finance Director</i> 		
4. ANNOUNCEMENTS		

Next Scheduled Meeting: Monday, April 8, 2019



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INFORMATIONAL MEMORANDUM

TO: Finance Committee
FROM: Laurel Humphrey, Council Analyst
CC: Mayor Ekberg
DATE: March 20, 2019
SUBJECT: Reappointments to Public Safety Bond Financial Oversight Committee

DISCUSSION

Pursuant to Ordinance No. 2509, the City Council established a Public Safety Bond Financial Oversight Committee to independently represent taxpayers concerning the City's expenditure of revenues received from the sale of general obligation bonds. On October 3, 2016 the City Council adopted a Charter for the Public Safety Bond Financial Oversight Committee which established a membership of five individuals to be appointed by the City Council and requires meetings no fewer than twice per year.

Positions #3, #4, and #5 expire on March 31, 2019, and the individuals have all expressed an interest in continuing to serve.

- Randy Coplen, Position #2 (business)
- Sean Goode, Position #3 (resident)
- Jessica Jerwa, Position #4 (at large)

In addition, staff recommends making the terms of appointment run through December 31 of the expiration year to match the City's other boards and commissions and to align with the Public Safety Bond Financial Oversight Committee's timing of its election of Chair and Vice-Chair, which is intended to occur at the first meeting of each calendar year. Mr. Goode and Ms. Jerwa were elected to continue serving as Chair and Vice-Chair, respectively, at the August 6, 2018 meeting. Once the reappointments for all five positions are corrected to end in December the election schedule can proceed per the By-laws.

The Financial Oversight Committee intends to convene a meeting in early April to review bond expenditures made since its last meeting.

Recommendation

Staff recommends reappointing Randy Coplen to Position #3, Sean Goode to Position #4, and Jessica Jerwa to Position #5, all for a term through December 31, 2021 for consideration at the April 1, 2019 Council Meeting.

Attachment

Draft August 6, 2018 Minutes



Public Safety Bond Financial Oversight Committee

August 6, 2018

6300 Building, Rainier Conference Room

3:30 p.m.

MINUTES

I. Call to Order

II. Roll Call

Committee members: Sean Goode, Chair, Jessica Jerwa, Vice-Chair, Andy Reiswig, Jun Castillo, Randy Coplen

City staff: David Cline, Laurel Humphrey, Peggy McCarthy, Aaron Williams

Guest: Deb Sorensen, resident

III. Approval of Agenda

Mr. Reiswig moved approval of the agenda, and Mr. Coplen seconded. The motion carried unanimously and the agenda was approved.

IV. Approval of Minutes

Mr. Castillo moved approval of the April 19, 2018 minutes with the spelling of his name corrected, and Mr. Reiswig seconded. The motion carried unanimously and the minutes were approved as amended.

V. New Business

1. Election of Chair and Vice-Chair

Mr. Reiswig nominated Mr. Goode to serve a second term as Chair and no further nominations were made. By a show of hands, Mr. Goode was re-elected as Chair. Mr. Reiswig nominated Ms. Jerwa to serve a second term as Vice-Chair and no further nominations were made. By a show of hands, Ms. Jerwa was re-elected as Vice-Chair.

2. Public Safety Plan Project Update/Overview

City staff updated the Committee on the status of projects associated with the Public Safety Plan. After several months of considering options to address the market-related funding gap, the City Council in June made the decision to remove Fire Station 54 from the program. Stations 51, 52 and the Justice Center are moving through the design stages with realistic budgets now known. The Council is being asked to approve amendments to bring all contracts in alignment with current budgets. Mr. Goode asked about the impacts of redirecting certain funding for parks to the Public Safety Plan. While this is an impact on parks, the City has not adequately addressed facility needs for decades. Mr. Goode also asked if the budgets reflect the cost of site acquisitions on Tukwila International Boulevard, and staff confirmed that they do.

3. Public Safety Plan Financial Overview

The Committee reviewed the original and revised revenue and expenditure budgets for the Public Safety Plan. Total actual revenues through July 31, 2018 are \$39,446,760 from the voter-approved bond, fire impact fees, real estate excise tax, and investment interest. The total for actual and projected revenues is \$117,745,139.00. The total expenditure budget change is \$34,752,107. The City's bond rating was recently affirmed at AA stable. Mr. Reiswig asked how fire impact fees are estimated and staff stated that it is based upon past years and an assessment of current development. The City estimates fee revenue conservatively. The fire apparatus budget decreased because the Council's financing plan includes financing the apparatus through a State program in the out-years. Station 51 was originally slated to be the headquarters station and the revised budget reflects the change to Station 52. Mr. Reiswig asked how contingency is estimated and staff confirmed that it is a percentage of construction cost. Mr. Castillo and Mr. Coplen asked for clarification on the fire apparatus budget. Some equipment has already been purchased, and everything else on the schedule is funded through 2029.

4. Expenditure Reports

The Committee reviewed actual Public Safety Plan expenditures through July 31, 2018, including a detailed list and current contracts. Actual expenditures through July 31, 2018 are \$7,673,440.00. Mr. Goode asked why settlement agreement amounts vary and staff stated that the businesses have different values and the City hired an independent appraiser to provide information. Mr. Reiswig inquired how the City is tracking the "not to exceed" amounts in the contracts and if the full amounts will be used. Shiels Oblatz Johnsen, the City's project manager closely monitors all contracts and the dollar amounts should be close to the actuals at this point.

5. Committee Charter

The Committee is tasked with reviewing its Charter once per year and recommending any desired changes. Staff noted that one Committee responsibility is to review copies of performance or financial audits of bond programs, and while no specific Public Safety Plan report exists at this time, the annual audits for the City are clean. Mr. Coplen moved to renew the Charter as written and Ms. Jerwa seconded. The motion unanimously passed and the Charter was renewed with no changes.

VI. Miscellaneous

- The Chair and Vice-Chair will work with City staff on scheduling a report to the City Council.
- Mr. Coplen expressed appreciation for the service Mr. Goldblatt, the Council's Public Safety Plan Program Management Quality Assurance consultant, is providing. He is impressed with Mr. Goldblatt's knowledge and experience.

VII. Adjournment

Mr. Goode moved adjournment and Mr. Reiswig seconded the motion. The motion carried and the meeting was adjourned at 4:32 p.m.

Minutes by LH, Reviewed by AW



INFORMATIONAL MEMORANDUM

TO: Councilmembers

CC: Mayor Ekberg

FROM: Peggy McCarthy, Finance Director

BY: Jeff Friend, Fiscal Manager

DATE: March 13, 2019

SUBJECT: Year-to-Date January 2019 Financial Update

Summary

The purpose of the January 2019 Financial Report is to summarize for the City Council the general state of Departmental expenditures and to highlight significant items. The following provides a high-level summary of the Departmental financial performance.

The January 2019 Financial Report is based on financial data available as of March 13, 2019, for the period ending January 31, 2019. Additional details can be found within the attached financial report.

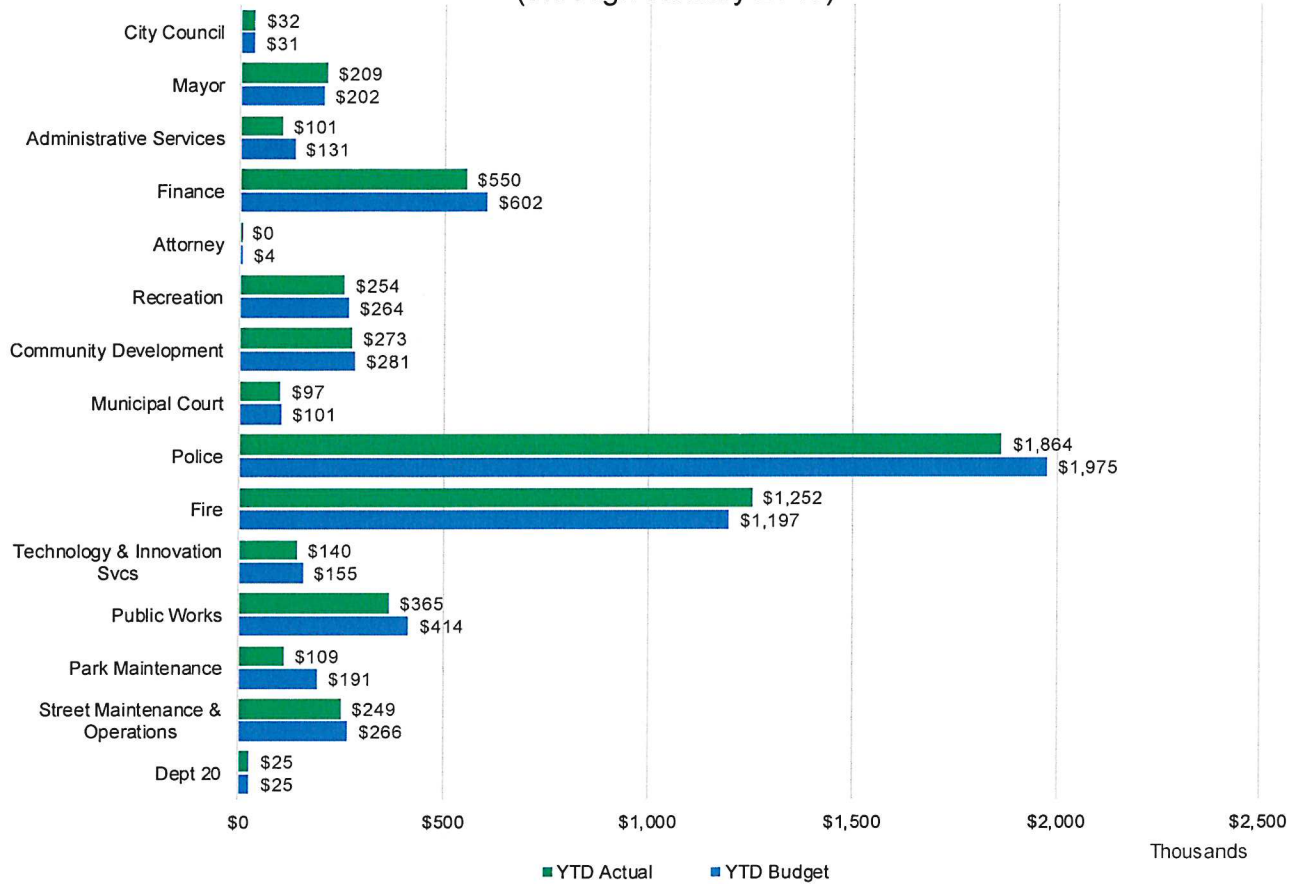
Departmental Expenditures

General Fund expenditures totaled \$5.52M, which is about \$317K below the allocated budget of \$5.84M. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

Significant Variances

- Fire is \$55K over budget primarily due to Salaries (\$37K) resulting from filling three unbudgeted pipeline positions. Additionally, Industrial Insurance was \$19K over budget due to a Worker's Comp Retro Pool payment of the same amount. Historically, Finance has absorbed the entire expense for all departments in the beginning of the year and then allocate it to departments at the end of the year. For 2019, it was determined that the allocation would be made with the initial payment.
- Police is \$110K under budget primarily due to Salaries (\$54K), Overtime (\$37K), and Insurance (\$37K). Salaries were over budget due to some employee turnover. A few positions were open in January while new employees have filled positions at a lower pay level than that of the employees who were employed during the budget process. Overtime for January was less than anticipated in the budget while liability insurance cost decreased from the previous year.

Year to Date Department Expenditures Compared to Allocated Budget
(Through January 2019)



INFORMATIONAL MEMO

Page 3

GENERAL FUND

YTD AS OF JANUARY 31, 2019

CITY OF TUKWILA
GENERAL FUND EXPENDITURES

SUMMARY OF EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2019 ANNUAL	2019 ALLOCATED	2017	2018	2019	ACTUAL OVER/(UNDER)		% CHANGE	
						ALLOCATED	%	2017/2018	2018/2019
						BDGT	EXPENDED		
01 City Council	432,111	30,963	33,104	29,359	31,842	879	7%	(11)%	8%
03 Mayor	2,595,514	202,120	183,053	187,656	209,454	7,334	8%	3%	12%
04 Administrative Services	2,111,509	131,002	109,786	106,136	101,142	(29,859)	5%	(3)%	(5)%
05 Finance	2,671,195	602,170	533,383	518,093	549,835	(52,335)	21%	(3)%	6%
06 Attorney	710,730	3,626	373	1,354	172	(3,455)	0%	263%	(87)%
07 Recreation	3,294,138	264,296	227,245	227,398	254,150	(10,146)	8%	0%	12%
08 Community Development	3,511,558	280,887	250,504	255,428	272,765	(8,122)	8%	2%	7%
09 Municipal Court	1,298,228	100,697	88,284	100,347	97,080	(3,616)	7%	14%	(3)%
10 Police	19,427,613	1,974,851	1,739,865	1,809,599	1,864,245	(110,606)	10%	4%	3%
11 Fire	12,473,387	1,196,898	1,218,182	1,154,268	1,252,173	55,275	10%	(5)%	8%
12 Technology & Innovation Svcs	2,043,934	154,762	84,523	155,228	139,739	(15,024)	7%	84%	(10)%
13 Public Works	3,948,613	413,970	363,356	387,352	364,983	(48,987)	9%	7%	(6)%
15 Park Maintenance	1,630,586	190,890	154,679	176,389	109,294	(81,596)	7%	14%	(38)%
16 Street Maintenance & Operations	3,354,733	265,597	568,403	610,566	248,794	(16,803)	7%	7%	(59)%
Subtotal	59,503,849	5,812,729	5,554,741	5,719,174	5,495,668	(317,061)	9%	3%	(4)%
20 Dept 20	19,067,819	25,000	25,000	25,000	25,000	-	0%	0%	0%
Total Expenditures	78,571,668	5,837,729	5,579,741	5,744,174	5,520,668	(317,061)	7%	3%	(4)%

Percent of year completed 8.33%

INFORMATIONAL MEMO

Page 4

GENERAL FUND

YTD AS OF JANUARY 31, 2018

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

SUMMARY OF SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2019 ANNUAL	2019	2017	2018	2019	ACTUAL	%	% CHANGE	
		ALLOCATED				OVER/(UNDER)		ALLOCATED	EXPENDED
						BDGT			
11 Salaries	28,891,480	2,407,623	2,321,133	2,366,794	2,332,169	(75,454)	8%	2%	(1)%
12 Extra Labor	762,833	56,789	40,588	36,422	51,376	(5,414)	7%	(10)%	41%
13 Overtime	1,350,099	121,004	161,383	117,494	114,773	(6,231)	9%	(27)%	(2)%
15 Holiday Pay	504,517	104	489	97	-	(104)	-	(80)%	-
21 FICA	2,107,153	140,474	147,348	152,199	148,154	7,680	7%	3%	(3)%
22 Pension-LEOFF 2	922,206	68,303	68,202	68,806	69,032	729	7%	1%	0%
23 Pension-PERS/PSERS	1,751,656	148,583	119,153	142,908	141,606	(6,977)	8%	20%	(1)%
24 Industrial Insurance	861,417	69,796	50,616	51,153	108,720	38,924	13%	1%	113%
25 Medical & Dental	5,998,564	502,635	467,863	461,345	468,596	(34,040)	8%	(1)%	2%
28 Uniform/Clothing	8,525	351	-	412	-	(351)	-	-	-
Total Salaries and Benefits	43,158,450	3,515,663	3,376,776	3,397,630	3,434,425	(81,238)	8%	1%	1%

SUMMARY OF SUPPLIES, SERVICES, AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2019 ANNUAL	2019	2017	2018	2019	ACTUAL	%	% CHANGE	
		ALLOCATED				OVER/(UNDER)		ALLOCATED	EXPENDED
						BDGT			
0 Transfers	19,067,819	25,000	25,000	25,000	25,000	-	0%	0%	0%
31 Supplies	1,072,087	107,507	58,612	83,749	139,313	31,806	13%	43%	66%
34 Items Purchased for resale	22,000	-	69	-	-	-	-	-	-
35 Small Tools	163,569	15,372	8,632	4,921	2,495	(12,878)	2%	(43)%	(49)%
41 Professional Services	6,404,856	424,907	20,621	33,295	394,962	(29,946)	6%	61%	1086%
42 Communication	434,600	37,519	16,486	33,056	22,899	(14,620)	5%	101%	(31)%
43 Travel	159,630	15,150	11,701	13,830	13,137	(2,014)	8%	18%	(5)%
44 Advertising	47,550	4,706	3,677	3,269	3,392	(1,314)	7%	(11)%	4%
45 Rentals and Leases	2,901,035	255,492	174,592	172,758	233,397	(22,095)	8%	(1)%	35%
46 Insurance	1,005,775	1,006,284	879,261	967,056	888,973	(117,311)	88%	10%	(8)%
47 Public Utilities	1,999,424	156,231	506,827	534,952	54,976	(101,255)	3%	6%	(90)%
48 Repairs and Maintenance	623,150	179,009	83,880	21,872	183,044	4,035	29%	(74)%	737%
49 Miscellaneous	1,271,723	93,855	75,206	92,787	124,592	30,737	10%	23%	34%
51 Inter-Governmental	-	-	338,405	355,159	-	-	-	5%	-
53 Ext Taxes, Oper. Assess	-	-	1	28	64	64	-	3432%	129%
64 Machinery & Equipment	240,000	1,033	(5)	4,812	-	(1,033)	-	(99323)%	-
Total Supplies, Services, and Capital	35,413,218	2,322,066	2,202,966	2,346,545	2,086,244	(235,823)	6%	7%	(11)%
Total Expenditures	78,571,668	5,837,729	5,579,741	5,744,174	5,520,668	(317,061)	7%	3%	(4)%

Percent of year completed 8.33%



INFORMATIONAL MEMORANDUM

TO: City Council

FROM: TIS Department

BY: Joseph Todd Technology and Innovation Services Director

CC: Mayor Ekberg

DATE: 03/25/2019

SUBJECT: Technology and Innovation Services Quarterly Report

ISSUE

During the 2017/2018 biennial budget process, Technology and Innovation Services (TIS) committed to City Council to provide a periodic report on the status of the City's new investments in technology.

DISCUSSION

In 2016, Technology and Innovation Services, along with departmental stakeholders, developed a technology strategy that required new investments from the City General Fund. These investments are funding 5 key technology initiatives that are critical to the implementation of the City's technology strategy. As a refresher, here are the 5 key initiatives:

1. Transition to the cloud (**transition on premises applications and infrastructure to the to the cloud**)
2. Connected city and network infrastructure changes (**invest in robust security measures, increased bandwidth, city and facility wide Wi-Fi, and scalable infrastructure**)
3. Contract Helpdesk Support, Training, IT Service Management, and FTE Increases (**hire tier 1 and 2 contract help desk support, deliver onsite and webinar based training, transition city to IT service management model, increase staff through internal transfers**)
4. GIS services expansion and integrated data services (**expand GIS services to cover city wide addressing, asset management, and back in integration with city wide records management systems**)
5. End user computing refresh (**update end user computers with new leased computing model**)

As part of City Council's approval of the new technology investments, TIS was asked to provide periodic report outlining the status of the 5 key initiatives in both progress and budget expenditure.

FINANCIAL IMPACT

Initiatives Budget

Initiative	2017	2018	2019	2020	2019/2020 Totals
Transition to the cloud	\$ 77,000.00	\$ 77,000.00	\$ 77,000.00	\$77,000.00	\$ 154,000.00
Connected city and network infrastructure changes	\$ 43,000.00	X	X	X	X
Help Desk Support, Training, IT Service, Management	\$124,000.00	\$124,000.00	\$ 49,600.00	\$49,600.00	\$ 99,200.00
GIS services expansion and integrated data services	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$90,000.00	\$ 180,000.00
End user computing refresh	\$150,000.00	\$150,000.00	\$150,000.00	Renew	\$ 150,000.00

ATTACHMENTS

No Attachments