



INFORMATIONAL MEMORANDUM

TO: Finance Council Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: October 20, 2020

**SUBJECT: 2021 – 2022 Biennial Budget Ordinance
2021 – 2026 Financial Planning Model and Capital Improvement Program**

ISSUE

Adopt the 2021 – 2022 biennial budget and the 2021 – 2026 Capital Improvement Program (CIP) by the end of December.

BACKGROUND

The proposed biennial budget for 2021 – 2022 and draft 2021 – 2026 CIP were presented to Council on October 5, 2020. 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 22, October 13, and October 20, 2020, to discuss both the budget and CIP. Additional workshops will be scheduled before final adoption.

DISCUSSION

At this time the proposed 2021 – 2022 biennial budget as well as the 2021 – 2026 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 9, 2020.

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.

RECOMMENDATION

The Finance Committee is being asked to approve the 2021 – 2022 biennial budget ordinance and the 2021 – 2026 Financial Planning Model and Capital Improvement Plan resolution and forward to the Committee of the Whole.

This item is currently scheduled for the November 9, 2020, Committee of the Whole and November 16, 2020, Regular Council meeting.

ATTACHMENTS

Draft Budget Ordinance
Draft CIP Resolution
Reconciliation of 2021 – 2022 Budget Summary to Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE BIENNIAL BUDGET OF THE CITY OF TUKWILA FOR THE 2021-2022 BIENNIUM; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the preliminary budget of the City of Tukwila for the 2021-2022 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 9, 2020; and

WHEREAS, as budget oversight is one of its key legislative responsibilities, the City Council conducted a thorough process to deliberate the proposed 2021-2022 Biennial Budget;

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 2021-2022 Biennial 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 3. The totals of the estimated revenues and appropriations for each separate fund and the aggregate totals are as follows:

(continued)

Fund	Total Expenditures	Total Revenues
000 General	\$141,979,059	\$ 141,979,059
105 Contingency	7,141,978	7,141,978
101 Hotel/Motel	2,604,844	2,604,844
103 City Street	4,159,810	4,159,810
104 Arterial Street	11,119,257	11,119,257
109 Drug Seizure Fund	464,243	464,243
2XX LTGO Debt Service Funds	13,408,972	13,408,972
213 Unlimited Tax G.O. Bonds	8,056,339	8,056,339
206 LID Guaranty	725,137	725,137
233 2013 LID	1,874,373	1,874,373
301 Land Acquisition, Recreation & Park Dev.	4,590,662	4,590,662
302 Facility Replacement	4,105,169	4,105,169
303 General Government Improvements	801,021	801,021
304 Fire Improvements	610,259	610,259
305 Public Safety Plan	12,952,873	12,952,873
306 City Facilities	7,099,144	7,099,144
401 Water	19,839,864	19,839,864
402 Sewer	33,079,798	33,079,798
411 Foster Golf Course	4,541,520	4,541,520
412 Surface Water	24,777,674	24,777,674
501 Equipment Rental	8,399,876	8,399,876
502 Insurance Fund	17,486,845	17,486,845
503 Insurance - LEOFF 1 Fund	995,203	995,203
611 Firemen's Pension	1,656,780	1,656,780
Total All Funds Combined	\$332,470,700	\$ 332,470,700

Section 4. A complete copy of the final budget for 2021-2022, as adopted, together with a copy of this adopting ordinance, 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. A complete copy of the final budget for 2021-2022, as adopted, together with a copy of this adopting ordinance, 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 5. Corrections by City Clerk or Code Reviser Authorized. 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 6. 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 7. 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 _____, 2020.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE 2021-2026 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 2021-2026 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 2021-2026 Financial Planning Model and accompanying Capital Improvement Program, incorporated by this reference as if fully set forth herein.

Section 2. A copy of the 2021-2026 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 2021-2026.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2020.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

De'Sean Quinn, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Reconciliation of 2021-2022 Budget Summary to Ordinance

EXPENDITURES	2021 Expenditures	2022 Expenditures	2022 Ending Fund Balance	Total Expenditures
000 General	\$ 62,702,620	\$ 66,770,616	\$ 12,505,824	\$ 141,979,059
101 Hotel/Motel	1,101,781	1,013,209	489,854	2,604,844
103 City Street	369,000	3,610,000	180,810	4,159,810
104 Arterial Street	6,865,301	3,395,273	858,683	11,119,257
105 Contingency	-	-	7,141,978	7,141,978
109 Drug Seizure Fund	200,000	40,000	224,243	464,243
2XX LTGO Debt Service Funds	4,740,338	8,643,004	25,630	13,408,972
200 LTGO Bonds	716,277	2,999,844	12,460	3,728,581
208 LTGO Bonds - 2017 (Public Safety Plan)	804,200	1,534,200	-	2,338,400
209 LTGO Bonds - 2017 (Residential Street)	553,500	553,600	-	1,107,100
210 Limited Tax G.O. Refunding Bonds, 2003	-	-	195	195
211 Limited Tax G.O. Refunding Bonds, 2008	-	-	416	416
212 Limited Tax G.O. Bonds, 2009A	376,895	377,030	2	753,927
213 UTGO Bonds	3,602,975	4,374,975	78,389	8,056,339
214 Limited Tax G.O. Bonds, 2010A	515,736	514,415	11,224	1,041,375
216 Limited Tax G.O. Refunding Bonds, Valley Comm	-	-	794	794
217 2011 Refunding Bonds	546,300	551,500	539	1,098,339
220 2020 Bonds - PW Shops	309,000	309,000	-	618,000
218 2014 MPD	113,130	113,115	-	226,245
219 LTGO - PW Shops	805,300	1,690,300	-	2,495,600
206 LID Guaranty	-	-	725,137	725,137
233 2013 LID	648,588	628,563	597,222	1,874,373
301 Land Acquisition, Recreation & Park Dev.	2,505,000	505,000	1,580,662	4,590,662
302 Facility Replacement	1,235,000	2,786,000	84,169	4,105,169
303 General Government Improvements	240,000	200,000	361,021	801,021
304 Fire Improvements	300,000	300,000	10,259	610,259
305 Public Safety Plan	2,307,817	2,730,467	7,914,589	12,952,873
306 City Facilities	7,062,408	-	36,736	7,099,144
401 Water	8,555,244	9,689,329	1,595,291	19,839,864
402 Sewer	11,751,296	11,801,825	9,526,678	33,079,798
411 Foster Golf Course	1,843,879	1,844,993	852,648	4,541,520
412 Surface Water	8,826,614	11,789,938	4,161,122	24,777,674
501 Equipment Rental	2,706,868	2,680,165	3,012,843	8,399,876
502 Insurance Fund	8,136,454	8,710,402	639,989	17,486,845
503 Insurance - LEOFF 1 Fund	486,920	497,040	11,243	995,203
611 Firemen's Pension	65,000	65,000	1,526,780	1,656,780
Total	\$ 136,253,102	\$ 142,075,799	\$ 54,141,798	\$ 332,470,700

REVENUES	2021 Beginning Fund Balance	2021 Revenues	2022 Revenues	Total Revenues
000 General	\$ 11,631,350	\$ 62,749,717	\$ 67,597,992	\$ 141,979,059
101 Hotel/Motel	1,742,844	406,000	456,000	2,604,844
103 City Street	114,810	589,000	3,456,000	4,159,810
104 Arterial Street	1,327,257	6,481,000	3,311,000	11,119,257
105 Contingency	7,101,978	20,000	20,000	7,141,978
109 Drug Seizure Fund	333,243	60,500	70,500	464,243
2XX LTGO Debt Service Funds	381,630	4,382,338	8,645,004	13,408,972
213 UTGO Bonds	76,339	3,605,000	4,375,000	8,056,339
206 LID Guaranty	719,137	3,000	3,000	725,137
233 2013 LID	692,373	601,000	581,000	1,874,373
301 Land Acquisition, Recreation & Park Dev.	2,171,922	1,942,800	475,940	4,590,662
302 Facility Replacement	1,835,169	410,000	1,860,000	4,105,169
303 General Government Improvements	500,021	300,500	500	801,021
304 Fire Improvements	9,259	300,500	300,500	610,259
305 Public Safety Plan	147,873	6,705,000	6,100,000	12,952,873
306 City Facilities	4,249,144	2,850,000	-	7,099,144
401 Water	6,170,864	6,722,000	6,947,000	19,839,864
402 Sewer	12,762,798	10,032,000	10,285,000	33,079,798
411 Foster Golf Course	873,520	1,818,000	1,850,000	4,541,520
412 Surface Water	5,385,674	8,883,000	10,509,000	24,777,674
501 Equipment Rental	2,969,227	2,724,818	2,705,831	8,399,876
502 Insurance Fund	642,799	8,118,924	8,725,122	17,486,845
503 Insurance - LEOFF 1 Fund	243,203	316,000	436,000	995,203
611 Firemen's Pension	1,516,780	70,000	70,000	1,656,780
Total	\$ 63,599,214	\$ 130,091,096	\$ 138,780,389	\$ 332,470,700



INFORMATIONAL MEMORANDUM

TO: Finance Committee
FROM: Vicky Carlsen, Finance Director
BY: Jeff Friend, Fiscal Manager
CC: Mayor Ekberg
DATE: October 26, 2020
SUBJECT: 2020 budget amendment ordinance

ISSUE

Approve the administrative 2020 year-end budget amendments.

BACKGROUND

While amending the budget is only required when a fund, in total, is in danger of exceeding budget, it is a best practice to adjust the budget to identify significant changes in financial plans, policy decisions, and provide transparency for key decisions.

Several of the proposed budget amendments have been reviewed and approved by Council Committee and/or Council process as noted below in the discussion. The proposed budget amendments make the following types of modification to the current biennium:

- Housekeeping amendments such as adjusting budgeted beginning fund balance to actual beginning fund balance,
- Adjustments specific to the funding of the Employee Healthcare Plan, Residential Streets Fund, and Public Safety Plan
- Reflect revenue-backed projects/expenditures,

All budget amendments are detailed below with explanations provided for each amendment as well as the effect on ending fund balance. Budget amendments are summarized by fund in the tables attached to this memo.

DISCUSSION

General Fund

Adjust Beginning Fund Balance

A beginning fund balance adjustment of -\$1,237,163 to adjust the budgeted beginning fund balance to reflect the actual beginning fund balance. It should be noted that fiscal year 2019 ended the year with a fund balance of \$12.6 million, which exceeds the fund balance policy by \$1.1 million.

COVID-19 Response

In 2020, the City faced a serious financial challenge regarding the COVID-19 pandemic. Facing a significant budget shortfall due to reduced sales tax revenue, the City implemented a hiring freeze and furloughed employees while departments scrubbed their budgets to save costs. Training, travel, and overtime (for non-public safety employees) are examples of expenditures that were eliminated. In order to preserve the historical record of the departments' cost savings, these expenditure eliminations are not included in the budget amendments. The only exceptions are the revenues and expenditures eligible for the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The CARES Act was passed by Congress and signed into law on March 27th, 2020. Through the Coronavirus Relief Fund, the CARES Act provides for payments to State, Local, and Tribal governments navigating the outbreak of the COVID-19 outbreak and provides funding that can assist with covering costs that have arisen from the pandemic. Reimbursement funds from the act will be split between the General Fund and the Public Safety Plan. Staff is currently working to determine which costs are eligible for CARES act funds and will be submitting an invoice to the federal government in November.

Amendments by Department

Dept.	Footnote	Description of Proposed Amendment	2020	
			Revenue	Expenditure
Council	1	Additional funds for the Employee Healthcare Plan needed per actuary		4,059
		Council Total	\$ -	\$ 4,059
Mayor (Economic Development)	6	King County Corona Virus Grant	31,965	31,965
Mayor	1	Additional funds for the Employee Healthcare Plan needed per actuary		10,562
		Mayor Total	\$ 31,965	\$ 42,527
Administrative Services	1	Additional funds for the Employee Healthcare Plan needed per actuary		11,111
Administrative Services (Human Services)	6	CDBG Grant	20,000	20,000
		Administrative Services Total	\$ 20,000	\$ 31,111
Finance	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	13,655
		Finance Total	\$ -	\$ 13,655
Recreation	6	King County Old Age Grant	12,500	12,500
Recreation	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	22,217
Recreation	6	KCD Green Tukwila Grant	7,400	7,400
		Recreation Total	\$ 19,900	\$ 42,117
Community Development	5	Admin Support tech transferred from Public Works	-	94,834
Community Development	1	Additional funds for the Employee Healthcare Plan needed per actuary		29,323
Community Development	6	TDM-awarded grant	75,000	75,000
Community Development	6	Action House Grant	40,000	40,000
		Community Development Total	\$ 115,000	\$ 239,157
Court	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	9,363
		Court Total	\$ -	\$ 9,363
Police	1	Additional funds for the Employee Healthcare Plan needed per actuary		113,781
		Police Total	\$ -	\$ 113,781
Fire	1	Additional funds for the Employee Healthcare Plan needed per actuary		83,274
		Fire Total	\$ -	\$ 83,274
TIS	1	Additional funds for the Employee Healthcare Plan needed per actuary		8,831
		TIS Total	\$ -	\$ 8,831

INFORMATIONAL MEMO

Dept.	Footnote	Description of Proposed Amendment	2020	
			Revenue	Expenditure
Public Works	5	Admin Support Tech transferred to Community Development		(94,834)
Public Works	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	23,356
		Public Works Total	\$ -	\$ (71,478)
Parks	1	Additional funds for the Employee Healthcare Plan needed per actuary		7,122
		Parks Total	\$ -	\$ 7,122
Street Maintenance	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	9,618
		Street Maintenance Total	\$ -	\$ 9,618
Dept. 20 - Transfers Out	3	Transfer to Fund 103-Solid Waste Utility Tax		550,000
Dept. 20 - Transfers Out	3	Transfer In from Urban Renewal/ Transfer Out to Residential Streets	400,000	400,000
Dept. 20 - Transfers Out	4	Transfer in from Contingency Fund (Fund 105)	700,000	
		Dept. 20 Transfers Total	\$ 1,100,000	\$ 950,000
General Revenue	2	Solid Waste Utility Tax	550,000	-
		Total General Fund Amendments	\$ 1,836,865	\$ 1,483,137

- 1) Per the City's actuary, an additional \$400,000 is needed for the required reserve levels in the Employee Healthcare Plan.
- 2) Ordinance 2609 increased the Solid Waste Utility Tax to 11% as of November 1, 2019 then to 16% as of July 1, 2020 with 6% of the revenues remaining in the General Fund and the balance being dedicated to road maintenance and road related projects. This increase was not budgeted until staff could reasonably project the level of revenue. Revenue will be recognized in the general fund then transferred to the residential street fund.
- 3) The City initially expected a certain level of financial support from other utility providers for undergrounding on the 42nd Ave S and 53rd Ave S projects. At this time, it appears the City will not be receiving all funds that were initially expected. Solid Waste Utility Tax revenue and prior year land sale revenue from the Urban Renewal Fund will be transferred to the Residential Streets Fund to cover these costs. Neither transfer effects the general fund ending fund balance.
- 4) As of May 6th, the estimated need for contingency funds was \$4.8 million. On August 14th, updated projections estimated the need to be \$3.3 million. After further refinement using updated data as well as the restructuring of the general fund portion of the tenant improvements for Phase I of the Public Works Shops, it is estimated that the amount of contingency funds needed to close the revenue gap is expected to be \$700 thousand.
- 5) An Admin Support Tech position was transferred from Public Works to Community Development. This amendment allows for proper financial reporting of each department's salary expenditures.
- 6) Revenue-backed grant awarded in 2020. No net effect on the general fund.

Other Funds

Included in the proposed budget amendments are amendments in other funds.

Fund	Footnote	Description of Proposed Amendment	2020	
			Revenue	Expenditure
Lodging tax - Fund 101	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	388
		Total Lodging Tax Amendments	\$ -	\$ 388
Contingency - Fund 105	2	Transfer to General Fund due to COVID pandemic		700,000
		Total Contingency Fund Amendments	\$ -	\$ 700,000
Residential Streets - Fund 103	3	Transfer in from General Fund	550,000	
Residential Streets - Fund 103	3	Transfer in from fund 301 (via General Fund)	400,000	-
Residential Streets - Fund 103	4	Reduce Macadam Rd S Project	(900,000)	(1,100,000)
Residential Streets - Fund 103	4	Increase 42nd Ave S sidewalk project		600,000
Residential Streets - Fund 103	4	Increase 53rd Ave S sidewalk project		500,000
		Total Bridges & Arterial Street Amendments	\$ 50,000	\$ -
Bridges & Arterial Street - Fund 104	5	Transfer excess park impact fees to fund 301	-	675,106
Bridges & Arterial Street - Fund 104	1	Additional funds for the Employee Healthcare Plan needed per actuary		1,886
		Total Bridges & Arterial Street Amendments	\$ -	\$ 676,992
Land Acquisition, Rec., & Park Dev. - Fund 301	5	Transfer of excess park impact fees from fund 104	675,106	
		Total Land Acq., Rec., & Park Dev. Amendments	\$ 675,106	\$ -
Urban Renewal - Fund 302	3	Transfer to General Funds		400,000
Urban Renewal - Fund 302	6	Transfer prior year land sale revenue to public safety plan		2,753,000
		Total Urban Renewal Amendments	\$ -	\$ 3,153,000
Public Safety Plan - Fund 305	6	Transfer prior year land sale revenue to public safety plan	2,753,000	
Public Safety Plan - Fund 305	7	Expenditures incurred in 2020 instead of 2021		10,500,000
		Total Public Safety Plan Amendments	\$ 2,753,000	\$ 10,500,000
City Facilities (PW Shops) - Fund 306	8	Work not completed in 2020 moved to 2021		(5,000,000)
		Total City Facilities (PW Shops) Amendments	\$ -	\$ (5,000,000)
Golf Course - Fund 411	9	Operational Adjustments due to market conditions	99,543	99,543
Golf Course - Fund 411	1	Additional funds for the Employee Healthcare Plan needed per actuary		9,193
Golf Course - Fund 411	10	Transfer of golf fleet from Equipment Rental and Replacement (Fund 501)	211,724	
		Total Golf Course Amendments	\$ 311,267	\$ 108,736
Water - Fund 401	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	10,043
		Total Water Amendments	\$ -	\$ 10,043
Sewer - Fund 402	1	Additional funds for the Employee Healthcare Plan needed per actuary		8,847
		Total Sewer Amendments	\$ -	\$ 8,847
Surface Water - Fund 412	1	Additional funds for the Employee Healthcare Plan needed per actuary	-	16,276
		Total Surface Water Amendments	\$ -	\$ 16,276
Equipment Rental & Replacement (501)	1	Additional funds for the Employee Healthcare Plan needed per actuary		7,095
Equipment Rental & Replacement (501)	10	Transfer of golf fleet to Golf (Fund 411)	-	211,724
		Total Equipment Rental & Replacement Amendments	\$ -	\$ 218,819
Insurance Fund (502)	1	Additional funds for the Employee Healthcare Plan needed per actuary	400,000	-
		Total Insurance Fund Amendments	\$ 400,000	\$ -

- 1) Per the City's actuary, an additional \$400,000 is needed to maintain the required reserve levels in the Employee Healthcare Plan.
- 2) As of May 6th, the estimated need for contingency funds was \$4.8 million. On August 14th, updated projections estimated the need to be \$3.3 million. After further refinement using updated data as well as the restructuring of the general fund portion of the tenant improvements for Phase I of the Public Works Shops, it is estimated that the amount of contingency funds needed to close the revenue gap is expected to be \$700 thousand.
- 3) The City initially expected a certain level of financial support from other utility providers for undergrounding on the 42nd Ave S and 53rd Ave S projects. At this time, it appears the City will not be receiving all funds that were initially expected. Solid Waste Utility Tax revenue and prior year land sale revenue from the Urban Renewal Fund will be transferred to the Residential Streets Fund to cover these costs. Neither transfer effects the general fund ending fund balance.
- 4) \$1.85 million was budgeted for the Macadam Road S project that work was not done in 2020 on the project. Therefore, budget authority is being reallocated to the two sidewalk projects and grant revenue associated with the Macadam Road S project is being reduced.
- 5) Park impact fees are allocated to certain projects that reside in Bridges and Arterial Streets (Fund 104) and Land Acquisition, Recreation, and Park Development (Fund 301). This amendment moves fees from Arterial Streets to Land Acquisition, Recreation, and Park Development to align with the correct projects.

- 6) *Proceeds from the sale of the Tukwila Village property were recorded in the Urban Renewal fund (Fund 302) but are to be dedicated to the Public Safety Plan (Fund 305). Revenue from this property sale is included in the D-20 Financial Framework.*
- 7) *Some Public Safety Plan expenditures were incurred in 2020 that were planned in other years. The total project budget remains the same, this amendment only addresses the timing in which year the expenditures were incurred.*
- 8) *Some Public Works Shop expenditures that were expected to be incurred in 2020 are now expected to be incurred in 2021 instead. The total project budget for Phase I remains the same, this amendment only addresses the timing in which year the expenditures were occurred.*
- 9) *Foster Golf Course experienced stronger than expected business in 2020 resulting in both higher revenue and expenditures.*
- 10) *Management of all golf carts and related equipment was transferred from Equipment Rental and Replacement (Fund 501) to the Golf Course (Fund 411) in 2020.*

In addition to the budget amendments proposed for other funds, beginning fund balances in various funds are also being adjusted to true up to actual beginning fund balances.

RECOMMENDATION

The Council is asked to approve the Budget Amendment ordinance and consider this item at the November 9, 2020 Committee of the Whole, and November 16, 2020 Regular Council Meeting.

ATTACHMENTS

Draft Ordinance
Reconciliation of 2019-2020 Budget Summary to Ordinance
Proposed Budget Changes – Summary by Fund

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING ORDINANCE NOS. 2597 AND 2602, WHICH ADOPTED AND AMENDED THE CITY OF TUKWILA'S BIENNIAL BUDGET FOR THE 2019-2020 BIENNIUM, TO ADOPT AN AMENDED YEAR-END BUDGET; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on December 3, 2018, the City Council of the City of Tukwila adopted Ordinance No. 2597, which adopted the 2019-2020 biennial budget of the City of Tukwila; and

WHEREAS, on February 14th, 2019, the City Council of the City of Tukwila adopted Ordinance No. 2602 amending Ordinance No. 2597, to correct a math error in the amounts shown for the General Fund; and

WHEREAS, the City has determined a need to amend the 2019-2020 Biennial Budget before fiscal year-end;

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

Section 1. Ordinance Amended. Tukwila Ordinance No. 2597 is hereby amended with the City Council's adoption of the document entitled "City of Tukwila 2019-2020 Year-End Budget Amendment," attached hereto and incorporated by this reference as if fully set forth herein, in accordance with RCW 35A.34.200.

Section 2. Estimated Revenues and Appropriations. The totals of the estimated revenues and appropriations for each separate fund and the aggregate totals are as follows:

FUND	EXPENDITURES	REVENUES
000 General	\$149,120,751	\$149,120,751
105 Contingency	\$7,401,978	\$7,401,978
101 Lodging Tax	\$3,461,328	\$3,461,328
103 Residential Streets	\$10,518,586	\$10,518,586
104 Bridges and Arterial Streets	\$18,585,453	\$18,585,453
109 Drug Seizure	\$371,718	\$371,718
2XX LTGO Debt Service	\$9,685,418	\$9,685,418
206 LID Guaranty	\$706,044	\$706,044
213 UTGO Bonds	\$6,643,675	\$6,643,675
233 2013 LID	\$2,108,736	\$2,108,736
301 Land Acquisition, Recreation & Park Dev.	\$3,244,679	\$3,244,679
302 Urban Renewal	\$10,329,208	\$10,329,208
303 General Government Improvements	\$1,009,901	\$1,009,901
304 Fire Impact Fees	\$1,913,259	\$1,913,259
305 Public Safety Plan	\$90,638,024	\$90,638,024
412 Surface Water	\$24,190,144	\$24,190,144
401 Water	\$21,345,765	\$21,345,765
402 Sewer	\$33,216,502	\$33,216,502
411 Foster Golf Course	\$4,257,999	\$4,257,999
412 Surface Water	\$20,129,950	\$20,129,950
501 Equipment Rental and Replacement	\$12,498,789	\$12,498,789
502 Employee Healthcare Plan	\$14,387,900	\$14,387,900
503 LEOFF 1 Retiree Healthcare Plan	\$1,167,350	\$1,167,350
611 Firemen's Pension	\$1,597,856	\$1,597,856
Total	\$448,531,013	\$448,531,013

Section 3. Copies on File. A complete copy of the amended budget for 2019-2020, as adopted, together with a copy of this amending ordinance, 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. A copy of the amended budget for 2019-2020, as adopted, together with a copy of this amending ordinance, 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 4. Corrections by City Clerk or Code Reviser Authorized. 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 5. 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 6. 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 and effect 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 _____, 2020.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney

Attachment: City of Tukwila 2020 Year-End Budget Amendment

City of Tukwila 2020 Year-End Budget Amendment

Reconciliation of 2020 Budget Summary to Ordinance

	2019 Beginning Fund Balance	2019 Revenues	2020 Revenues	Total Revenues	Mid-Biennial Amendments	Mid-Biennial Amended Revenues	Beginning Fund Balance Adjustment	2020 Year-End Amendments	Total Revenues
000 General	\$ 12,590,576	\$ 65,947,930	\$ 67,194,827	\$ 145,733,333	\$ 2,787,716	\$ 148,521,049	\$ (1,237,163)	\$ 1,836,865	\$ 149,120,751
101 Lodging Tax	1,370,302	778,000	803,000	2,951,302	247,323	3,198,625	262,703	-	3,461,328
103 Residential Street	2,826,621	4,002,000	5,711,000	12,539,621	(2,161,077)	10,378,544	90,042	50,000	10,518,586
104 Arterial Street	3,621,865	6,819,000	4,764,400	58,087,865	(40,398,440)	17,689,425	886,028	-	18,585,453
105 Contingency	6,447,329	148,568	300,000	6,895,897	109,832	7,005,729	386,249	-	7,401,978
109 Drug Seizure Fund	226,507	55,000	55,000	336,507	-	336,507	35,211	-	371,718
2XX LTGO Debt Service	387,669	4,979,262	4,590,311	9,957,242	(214,085)	9,743,157	(57,739)	-	9,685,418
206 LID Guaranty	685,037	300	300	685,637	-	685,637	20,407	-	706,044
213 UTGO Bonds	40,117	2,841,675	3,713,175	6,594,967	-	6,594,967	48,708	-	6,643,675
233 2013 LID	707,287	688,637	668,613	2,064,537	-	2,064,537	44,199	-	2,108,736
301 Land Acquisition, Recreation & Park Dev.	1,019,562	128,320	116,400	1,264,282	695,000	1,959,282	610,291	675,106	3,244,679
302 Urban Renewal	2,213,064	10,000	10,000	2,233,064	5,362,629	7,595,693	2,733,515	-	10,329,208
303 General Government Improvements	337,761	200,500	200,500	738,761	140,000	878,761	131,140	-	1,009,901
304 Fire Impact Fees	7,412	500,100	500,100	1,007,612	609,723	1,617,335	295,924	-	1,913,259
305 Public Safety Plan	13,038,494	66,414,346	2,683,709	82,136,549	3,794,489	85,931,018	1,954,006	2,753,000	90,638,024
306 City Facilities	1,914,000	7,500,000	-	9,414,000	15,165,590	24,579,590	(389,446)	-	24,190,144
401 Water	5,149,522	7,317,000	7,524,000	19,990,522	908,249	20,898,771	446,994	-	21,345,765
402 Sewer	9,174,430	9,912,000	9,912,000	28,998,430	1,037,650	30,036,080	3,180,422	-	33,216,502
411 Foster Golf Course	640,081	1,793,900	1,847,900	4,281,981	33,000	4,314,881	(388,149)	311,267	4,257,999
412 Surface Water	754,303	9,070,000	7,990,000	17,814,303	1,840,800	19,655,103	474,847	-	20,129,950
501 Equipment Rental	3,874,899	3,619,089	3,221,544	10,715,532	420,003	11,135,535	1,363,254	-	12,498,789
502 Insurance Fund	1,137,704	6,563,872	6,889,436	14,591,012	176,587	14,767,599	(779,699)	400,000	14,387,900
503 Insurance - LEOFF 1 Fund	527,005	266,533	266,541	1,060,079	-	1,060,079	107,271	-	1,167,350
611 Firemen's Pension	1,449,856	74,000	74,000	1,597,856	-	1,597,856	-	-	1,597,856
Total	\$ 70,141,403	\$ 199,630,032	\$ 171,919,356	\$ 441,690,791	\$ (9,445,031)	\$ 432,245,760	\$ 10,259,015	\$ 6,026,238	\$ 448,531,013

	2019 Expenditures	2020 Expenditures	2020 Ending Fund Balance	Total Expenditures	Mid-Biennial Amendments	Mid-Biennial Amended Expenditures	2020 Year-End Amendments	Net Effect on 2020 Ending Fund Balance	Total Expenditures
000 General	\$ 65,865,875	\$ 65,821,945	\$ 14,045,513	\$ 145,733,333	\$ 2,787,716	\$ 148,521,049	\$ 1,483,137	\$ (883,435)	\$ 149,120,751
101 Lodging Tax	693,131	695,498	1,562,673	2,951,302	247,323	3,198,625	388	262,315	3,461,328
103 Residential Street	6,616,000	5,701,000	222,621	12,539,621	(2,161,077)	10,378,544	-	140,042	10,518,586
104 Arterial Street	8,854,599	48,935,382	297,884	58,087,865	(40,398,440)	17,689,425	676,982	219,036	18,585,453
105 Contingency	-	-	6,895,897	6,895,897	109,832	7,005,729	700,000	(303,751)	7,401,978
109 Drug Seizure Fund	60,000	60,000	216,507	336,507	-	336,507	-	35,211	371,718
2XX LTGO Debt Service	4,979,263	4,589,893	388,086	9,957,242	(214,085)	9,743,157	-	(57,739)	9,685,418
206 LID Guaranty	-	-	685,637	685,637	-	685,637	-	20,407	706,044
213 UTGO Bonds	2,841,675	3,713,175	40,117	6,594,967	-	6,594,967	-	48,708	6,643,675
233 2013 LID	688,637	668,613	707,287	2,064,537	-	2,064,537	-	44,199	2,108,736
301 Land Acquisition, Recreation & Park Dev.	605,000	50,000	609,282	1,264,282	695,000	1,959,282	-	1,285,397	3,244,679
302 Urban Renewal	235,000	215,000	1,783,064	2,233,064	5,362,629	7,595,693	3,153,000	(419,485)	10,329,208
303 General Government Improvements	353,094	358,015	27,652	738,761	140,000	878,761	131,140	-	1,009,901
304 Fire Improvements	500,000	500,000	7,612	1,007,612	609,723	1,617,335	-	295,924	1,913,259
305 Public Safety Plan	39,896,578	40,028,146	2,211,825	82,136,549	3,794,489	85,931,018	10,500,000	(5,792,994)	90,638,024
306 City Facilities	4,629,000	4,785,000	-	9,414,000	15,165,590	24,579,590	(5,000,000)	4,610,554	24,190,144
401 Water	7,650,901	9,000,238	3,339,383	19,990,522	908,249	20,898,771	10,043	436,951	21,345,765
402 Sewer	10,774,916	9,783,035	8,440,479	28,998,430	1,037,650	30,036,080	8,847	3,171,575	33,216,502
411 Foster Golf Course	1,765,345	1,810,408	706,128	4,281,881	33,000	4,314,881	108,736	(165,619)	4,257,999
412 Surface Water	8,933,224	7,302,426	1,578,653	17,814,303	1,840,800	19,655,103	16,276	458,571	20,129,950
501 Equipment Rental	4,435,204	3,777,658	2,502,670	10,715,532	420,003	11,135,535	218,819	1,144,435	12,498,789
502 Insurance Fund	6,904,662	7,412,104	274,246	14,591,012	176,587	14,767,599	-	(379,699)	14,387,900
503 Insurance - LEOFF 1 Fund	465,755	489,313	105,011	1,060,079	-	1,060,079	-	107,271	1,167,350
611 Firemen's Pension	69,991	69,991	1,457,874	1,597,856	-	1,597,856	-	-	1,597,856
Total	\$ 177,817,850	\$ 215,766,840	\$ 48,106,101	\$ 441,690,791	\$ (9,445,031)	\$ 432,245,760	\$ 11,876,238	\$ 4,409,015	\$ 448,531,013

Proposed Budget Changes - Summary by Fund														
Fund	Beginning Fund Balance				Revenue				Expenditure				Ending Fund Balance	
	Adopted Budget	Proposed Amendments	Proposed Revised Budget		Adopted Budget	Proposed Amendments	Proposed Revised Budget		Adopted Budget	Proposed Amendments	Proposed Revised Budget	Adopted Budget	Proposed Amendments	Proposed Revised Budget
General Fund Depts.														
Council						\$	4,059							
Mayor							42,527							
Administrative Services						31,965								
Finance						20,000								
Recreation							13,655							
Community Development						19,900								
Court						115,000								
Police							9,363							
Fire							113,781							
TIS							83,274							
Public Works							8,831							
Parks							(71,478)							
Street Maintenance							7,122							
Transfers							9,618							
Property Tax Revenue						1,650,000								
Total General Fund	13,828,530	(1,237,163)	12,591,367		67,679,827	1,836,865	69,516,692	67,721,279	1,483,137	69,204,416	13,787,078	(883,435)		12,903,643
Special Revenue Funds:														
Lodging Tax	1,702,495	262,703	1,965,198		803,000	-	803,000	695,500	388	695,888	1,809,995	262,315		2,072,310
Drug Seizure	221,507	35,211	256,718		55,000	-	55,000	60,000	-	60,000	216,507	35,211		251,718
Contingency	6,705,729	396,249	7,101,978		300,000	-	300,000	-	700,000	700,000	7,005,729	(303,751)		6,701,978
LTGO Debt Service Funds (2XX)	1,944,213	55,575	1,999,788		9,022,399	-	9,022,399	9,021,681	-	9,021,681	1,944,931	55,575		2,000,506
Capital Projects Funds:														
Residential Streets	51,544	90,042	141,586		5,711,000	50,000	5,761,000	5,701,000	-	5,701,000	61,544	140,042		201,586
Bridges and Arterial Streets	1,187,826	896,028	2,083,854		10,647,000	-	10,647,000	11,435,383	676,992	12,112,375	399,443	219,036		618,479
Land Acquisition, Rec. and Park Dev.	567,882	610,291	1,178,173		116,400	675,106	791,506	75,000	-	75,000	609,282	1,285,397		1,894,679
Urban Renewal	7,350,693	193,605	7,544,298		10,000	-	10,000	215,000	3,153,000	3,368,000	7,145,693	(2,959,395)		4,186,298
General Government	525,166	131,140	656,306		200,900	-	200,900	658,014	-	658,014	67,652	131,140		198,792
Fire Impact Fees	17,235	295,924	313,159		500,100	-	500,100	500,000	-	500,000	17,335	295,924		313,259
Public Safety Plan	42,350,731	1,954,006	44,304,737		3,683,709	2,753,000	6,436,709	40,028,146	10,500,000	50,528,146	6,006,294	(5,792,994)		213,300
City Facilities (PW Shops)	6,350,590	(389,446)	5,961,144		4,000,000	-	4,000,000	10,350,590	(5,000,000)	5,350,590	-	4,610,554		4,610,554
Enterprise Funds:														
Water	5,723,870	446,994	6,170,864		7,524,000	-	7,524,000	9,224,913	10,043	9,234,956	4,022,957	436,951		4,459,908
Sewer	9,349,164	3,180,422	12,529,586		9,912,000	-	9,912,000	10,408,398	8,847	10,417,245	8,852,766	3,171,575		12,024,341
Golf	565,637	(368,149)	197,488		1,880,900	311,267	2,192,167	1,789,429	108,736	1,898,165	657,108	(165,618)		491,490
Surface Water	2,731,879	474,847	3,206,726		7,990,000	-	7,990,000	7,612,242	16,276	7,628,518	3,109,637	458,571		3,568,208
Internal Service Funds:														
Equipment Rental and Replacement	\$ 3,478,787	\$ 1,363,254	\$ 4,842,041		\$ 3,221,544	\$ -	\$ 3,221,544	\$ 3,780,532	\$ 218,819	\$ 3,999,351	\$ 2,919,799	\$ 1,144,435		\$ 4,064,234
Employee Healthcare Plan	796,914	(779,699)	17,215		7,066,023	400,000	7,466,023	7,412,104	-	7,412,104	450,833	(379,699)		71,134
LEOFF 1 Retiree Healthcare Plan	327,783	107,271	435,054		266,541	-	266,541	489,313	-	489,313	105,011	107,271		212,282
Firemen's Pension	1,453,865	-	1,453,865		74,000	-	74,000	69,991	-	69,991	1,457,874	-		1,457,874