



City of Tukwila
**Finance and Governance
 Committee**

- ◆ Zak Idan, Chair
- ◆ Kathy Hougardy
- ◆ Cynthia Delostrinos Johnson

<u>Distribution:</u>	
Z. Idan	Mayor Ekberg
K. Hougardy	D. Cline
C. Delostrinos Johnson	R. Bianchi
K. Kruller	C. O'Flaherty
V. Seal	A. Youn
D. Quinn	L. Humphrey
T. McLeod	

AGENDA

MONDAY, JULY 26, 2021 – 5:30 PM

HAZELNUT CONFERENCE ROOM
 (At east entrance of City Hall)

**THIS MEETING WILL NOT BE CONDUCTED AT CITY FACILITIES
 BASED ON THE GOVERNOR'S PROCLAMATION 20-28.**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS
 MEETING IS: 1-253-292-9750, Access Code 973303373#**

**Click here to: [Join Microsoft Teams Meeting](#)
 For Technical Support during the meeting call: 1-206-433-7155.**

Item	Recommended Action	
1. BUSINESS AGENDA		
a. A grant agreement for Summer Experiences and Enrichment for Kids Fund. <i>Tracy Gallaway, Acting Parks & Recreation Director</i>	a. Forward to 8/2 Consent Agenda.	Pg.1
b. An update on debt issuance for the Public Works Shops. <i>Vicky Carlsen, Finance Director</i>	b. Discussion only.	Pg.27
c. Monthly General Fund update. <i>Tony Cullerton, Deputy Finance Director</i>	c. Discussion only.	Pg.29
2. MISCELLANEOUS		

Next Scheduled Meeting: August 9, 2021



The City of Tukwila strives to accommodate individuals with disabilities.
 Please contact the City Clerk's Office at **206-433-1800** (TukwilaCityClerk@TukwilaWA.gov) for assistance.



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee

FROM: Tracy Gallaway, Acting Parks & Recreation Director

BY: John Dunn, Acting Recreation Manager

CC: Mayor Ekberg

DATE: July 19, 2021

SUBJECT: Summer Experiences & Enrichment for Kids Fund (SEEK Fund)

ISSUE

Seeking authorization for the Mayor to sign Service Contract with Association of Washington Cities in the amount of \$49,100.

BACKGROUND

In early June, Washington Recreation and Parks Association (WRPA) announced that they were working with The Association of Washington Cities (AWC) and the Office of Superintendent of Public Instruction (OSPI) to develop a process for applying and receiving grant funds specifically for summer experiences for youth in Washington State. Information and applications were available the last week of June and due in a short period of time after. This was a quick turn around from notice of application to award announcement July 15, 2021.

In addition, this grant is to be spent in a limited window of time. July 15 through November 15, 2021.

DISCUSSION

This grant will be used to enhance current summer programs for youth, teens, and families in Tukwila. Additionally, recreation staff are looking into adding small community events in late summer or early fall.

Part of the grant will be used to partner with the Somali Health board to assist them in providing training for staff and volunteers, purchase supplies and equipment to provide leadership classes and soccer teams.

FINANCIAL IMPACT

There is no matching requirement for the City.

RECOMMENDATION

The Council is being asked to authorize the Mayor to sign the award contract and consider this item for consent agenda at the August 2, 2021 Regular Meeting.

ATTACHMENTS

Association of Washington Cities Service Contract

**Association of Washington Cities
Service Contract with**

Tukwila Parks & Recreation

through

Summer Experiences & Enrichment for Kids Fund (SEEK Fund)
A program of the Washington Office of Superintendent of Public Instruction
(OSPI)

For

Jurisdiction Name	Tukwila Parks & Recreation
Program Description	Provide multiple summer camp options to children of all ages.

Start date: July 15, 2021

End date: November 15, 2021

FACE SHEET

Subcontract Number: 21-35

Association of Washington Cities (AWC)

Summer Experiences & Enrichment for Kids (SEEK) Fund

The Association of Washington Cities (AWC) is working in collaboration with and generally under the direction from OSPI to provide evidence-based, outdoor, summer enrichment programs to youth in K-12 (ages 4-21). Funds for this subcontract are intended to prevent, prepare for, or respond to the COVID-19 pandemic, including its impact on the social, emotional, mental health, and academic needs of students.

1. Subcontractor City of Tukwila 6200 Southcenter Blvd Tukwila, WA 98188		2. Subcontractor Doing Business As (optional) City of Tukwila 6200 Southcenter Blvd Tukwila, WA 98188	
3. Subcontractor Representative Allan Ekberg Mayor 206-433-1850 Allan.Ekberg@TukwilaWA.gov		4. AWC Representative Jacob Ewing Legislative Policy Analyst (360) 753-4137 jacobe@awcnet.org 1076 Franklin Street SE Olympia, WA 98501	
5. Subcontract Amount \$49,100	6. Start Date July 15, 2021	7. End Date November 15, 2021	8. Tax ID # 91-6001519
9. Subcontract Purpose Carry out summer activities under the OSPI SEEK program as described in Attachment A.			
AWC and the Subcontractor, as defined above, acknowledge and accept the terms of this Subcontract and attachments and have executed this Subcontract on the date below to start as of the date and year referenced above. The rights and obligations of both parties to this Subcontract are governed by this Subcontract and the following other documents incorporated by reference: Subcontractor Terms and Conditions including Attachment "A" – SEEK Application/Scope of Work; Attachment "B" – Project Costs Worksheet; Attachment "C" – Subcontractor Data Collection.			
FOR SUBCONTRACTOR _____ Allan Ekberg, Mayor _____ Date		FOR Association of Washington Cities _____ <insert name>, <insert title> _____ Date	

Last revision 7/9/2021

1. SUBCONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the subcontact person for all communications and billings regarding the performance of this Subcontract.

The Representative for AWC and their contact information are identified on the Face Sheet of this Subcontract.

The Representative for the Subcontractor and their contact information are identified on the Face Sheet of this Subcontract.

2. PAYMENT

AWC shall pay an amount not to exceed (\$49,100) for the performance of all things necessary for or incidental to the performance of work as set forth in the SEEK Application and described in the attached Exhibit A. Contractor's compensation for services rendered shall be based on the completion of duties as outlined in the SEEK application, in attached Exhibit A, in accordance with the following terms:

4. BILLING PROCEDURES AND PAYMENT

AWC will reimburse Subcontractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for AWC not more often than monthly. Contractor will use the invoice form provided by AWC to request reimbursement.

The invoices shall describe and document, to AWC's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Subcontract Number 21-35. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement.

If errors are found in the submitted invoice or supporting documents, AWC will notify the Subcontractor to make corrections in a timely manner, resubmit the invoice and/or supporting documentation as requested, and notify AWC.

Payment shall be considered timely if made by AWC within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Subcontractor.

AWC may, in its sole discretion, terminate the Subcontract or withhold payments claimed by the Subcontractor for services rendered if the Subcontractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by AWC.

Duplication of Billed Costs

The Subcontractor shall not bill AWC for services performed under this Agreement, and AWC shall not pay the Subcontractor, if the Subcontractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Subcontractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Final Reimbursement and Reporting Deadline

When the project is completed the Subcontractor must submit a final invoice, final report, and supporting documents needed to close out the project no later than October 1, 2021.

AWC shall withhold 10 percent from each payment until acceptance by AWC of the final reporting from the Subcontractor has been verified.

5. SUBCONTRACTOR DATA COLLECTION/REPORTING REQUIREMENTS

Subcontractor will submit reports, in a form and format to be provided by AWC (See Attachment C). Data will be provided to AWC along with final billing.

6. INSURANCE

a. Workers' Compensation Coverage. The Contractor shall at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the fullest extent applicable. This requirement includes the purchase of industrial insurance coverage for the Subcontractor's employees, as may now hereafter be required of an "employer" as defined in Title 51 RCW. Such workers' compensation and occupational disease requirements shall include coverage for all employees of the Subcontractor, and for all employees of any subcontract retained by the Subcontractor, suffering bodily injury (including death) by accident or disease, which arises out of or in connection with the performance of this Subcontract. Satisfaction of these requirements shall include, but shall not be limited to:

- i. Full participation in any required governmental occupational injury and/or disease insurance program, to the extent participation in such a program is mandatory in any jurisdiction;
- ii. Purchase workers' compensation and occupational disease insurance benefits to employees in full compliance with all applicable laws, statutes, and regulations, but only to the extent such coverage is not provided under mandatory governmental program in "a" above, and/or;
- iii. Maintenance of a legally permitted and governmentally approved program of self-insurance for workers' compensation and occupational disease.

Except to the extent prohibited by law, the program of the Subcontractor's compliance with workers' compensation and occupational disease laws, statutes, and regulations in 1), 2), and 3) above shall provide for a full waiver of rights of subrogation against AWC, its directors, officers, and employees.

If the Subcontractor, or any subcontractor retained by the Subcontractor, fails to effect and maintain a program of compliance with applicable workers' compensation and occupational disease laws, statutes, and regulations and AWC incurs fines or is required by law to provide benefits to such employees, to obtain coverage for such employees, the Contractor will indemnify AWC for such fines, payment of benefits to Subcontractor or subcontractor employees or their heirs or legal representatives, and/or the cost of effecting coverage on behalf of such employees. Any amount owed AWC by the Subcontractor pursuant to the indemnity may be deducted from any payments owed by AWC to the Subcontractor for the performance of this Subcontract.

b. Automobile Insurance. In the event that services delivered pursuant to this Subcontract involve the use of vehicles, owned or operated by the Subcontractor, automobile liability insurance shall be required. The minimum limit for automobile liability is:

\$1,000,000 per accident, using a Combined Single Limit for bodily injury and property damage.

c. Business Automobile Insurance. In the event that services performed under this Subcontract involve the use of vehicles or the transportation of clients, automobile liability insurance shall be required. If Contractor-owned personal vehicles are used, a Business Automobile policy covering a minimum Code 2 “owned autos only” must be secured. If the Subcontractor’s employees’ vehicles are used, the Subcontractor must also include under the Business Automobile policy Code 9, coverage for “non-owned autos.” The minimum limits for automobile liability is:

\$1,000,000 per accident, using a Combined Single Limit for bodily injury and property damage.

d. Public Liability Insurance (General Liability). The Subcontractor shall at all times during the term of this Subcontract, at its cost and expense, carry and maintain general public liability insurance, including contractual liability, against claims for bodily injury, personal injury, death, or property damage occurring or arising out of services provided under this Subcontract. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the Subcontractor or its officers, agents, representatives, assigns or servants. The limits of liability insurance, which may be increased from time to time as deemed necessary by AWC, with the approval of the Subcontractor (which shall not be unreasonably withheld), shall not be less than as follows:

Each Occurrence	\$1,000,000
Products-Completed Operations Limit	\$2,000,000
Personal and Advertising Injury Limit	\$1,000,000
Fire Damage Limit (any one fire)	\$ 50,000

e. Additional Insured. The Office of Superintendent of Public Instruction, and the Association of Washington Cities, shall be specifically named as an additional insured on all policies, including Public Liability and Business Automobile, except for liability insurance on privately-owned vehicles, and all policies shall be primary to any other valid and collectible insurance. The Superintendent and/or AWC may waive this requirement at its discretion. Policies and certificates of insurance shall include the contract reference number.

f. Proof of Insurance. Certificates and or evidence satisfactory to the AWC confirming the existence, terms and conditions of all insurance required above shall be delivered to AWC within five (5) days of the Subcontractor’s receipt of Authorization to Proceed.

g. General Insurance Requirements. Subcontractor shall, at all times during the term of the Subcontract and at its cost and expense, buy and maintain insurance of the types and amounts listed above. Failure to buy and maintain the required insurance may result in the termination of the Subcontract at AWC’s option. By requiring insurance herein, AWC does not represent that

coverage and limits will be adequate to protect Subcontractor and such coverage and limits shall not limit Subcontractor's liability under the indemnities and reimbursements granted to AWC in this Subcontract.

Subcontractor shall include all subcontractors of the subcontractor as insureds under all required insurance policies, or shall furnish proof of insurance and endorsements for each subcontractor. Subcontractor(s) must comply fully with all insurance requirements stated herein. Failure of subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

3. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Contract and Contract for Services General Terms and Conditions
- Attachment A – SEEK Application & Scope of Work
- Attachment B – Budget and Project Costs Worksheet
- Attachment C – Subcontractor Reporting Requirements

Contract for Services
GENERAL TERMS AND CONDITIONS

1. **Access to Data.** In compliance with Chapter 39.26 RCW, the Subcontractor shall provide access to data generated under this Subcontract to AWC, and to the extent necessary to comply with RCW 39.26, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the Subcontractor's reports, including computer models and methodology for those models.
2. **Alterations and Amendments.** This Subcontract may be amended only by mutual agreement of the parties in writing. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.
3. **Americans with Disabilities Act (ADA) of 1990, Public Law 101-336, also referred to as the "ADA" 28 CFR Part 35.** The Subcontractor must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.
4. **Assignment.** Neither this Subcontract, nor any claim arising under this Subcontract, shall be transferred or assigned by the Subcontractor without prior written consent of AWC.
5. **Assurances.** AWC and the Subcontractor agree that all activity pursuant to this Subcontract will be in accordance with all applicable current federal, state and local laws, rules and regulations.
6. **Attorney's Fees.** In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney's fees and costs.
7. **Budget Revisions.** Any monetary amount budgeted by the terms of this Subcontract for various activities and line item objects of expenditure as outlined in Attachment B – Budget and Project Costs Worksheet may be revised without prior written approval of AWC, so long as the revision is no more than ten percent (10%) of the original line item amount and the increase in an amount is offset by a decrease in one or more other amounts equal to or greater than the increase. All other budget revisions exceeding ten percent (10%) shall only be made with the prior written approval of AWC.
8. **Certification Regarding Debarment, Suspension, and Ineligibility.** The Subcontractor certifies that neither it nor its principals are debarred, suspended, proposed for debarment, or voluntarily excluded from participation in transactions by any federal department or agency. The Subcontractor further certifies that they will ensure that potential subcontractors or any of their principals are not debarred, suspended, proposed for debarment, or voluntarily excluded from participation in covered transactions by any federal department or agency. "Covered transactions" include procurement contracts for goods that are expected to equal or exceed twenty-five thousand dollars (\$25,000). Subcontractor may do so by obtaining a certification statement from the potential subcontractor or subrecipient or by checking online at the System for Award Management (SAM), Excluded Parties List. The Subcontractor shall immediately notify the AWC if, during the term of this subcontract, Subcontractor becomes debarred. AWC may immediately terminate this Subcontract by providing Subcontractor written notice if Subcontractor becomes debarred during the term of this Subcontract.

The Subcontractor also certifies that neither it nor its principals are debarred, suspended, or proposed for debarment from participation in transactions by any state department or agency. The Subcontractor further certifies that they will ensure that potential subcontractors or any of their principals are not debarred, suspended, or proposed for debarment from participation in covered transactions by any state department or agency.

9. **Certification Regarding Lobbying.** The Subcontractor certifies that Federal-appropriated funds will not be used to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress or an employee of a member of Congress in obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Contractor must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Subcontractor shall require its subcontractors to certify compliance with this provision.
10. **Certification Regarding Wage Violations.** The Subcontractor certifies that within three (3) years prior to the date of execution of this Subcontract, Subcontractor has not been determined by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of RCW chapters 49.46, 49.48, or 49.52.

The Subcontractor further certifies that it will remain in compliance with these requirements during the term of this Subcontract. Subcontractor will immediately notify AWC of any finding of a willful violation entered by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction entered during the term of this Subcontract.

11. **Change in Status.** In the event of substantive change in the legal status, organizational structure, or fiscal reporting responsibility of the Subcontractor, Subcontractor agrees to notify AWC of the change. Subcontractor shall provide notice as soon as practicable, but no later than thirty (30) days after such a change takes effect.
12. **Confidentiality.** The Subcontractor acknowledges that all of the data, material and information which originates from this Subcontract, and any student assessment data, material and information which will come into its possession in connection with performance under this Subcontract, consists of confidential data owned by AWC or confidential personally identifiable data subject to the federal Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) or other privacy laws, and that the data must be secured and protected from unauthorized disclosure by the Subcontractor. The Subcontractor is wholly responsible for compliance with FERPA requirements.

The Subcontractor, therefore, agrees to hold all such material and information in strictest confidence, not to make use thereof other than for the performance of this Subcontract, to release it only to authorized employees and agents requiring such information and not release or disclose it to any other party. The Subcontractor agrees to release such information or material only to employees and agents who have signed a written agreement expressly prohibiting disclosure or usages not specifically authorized by this Subcontract.

13. **Copyright Provisions.** Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and copyright shall be owned by the Superintendent of Public Instruction (Superintendent). The Superintendent shall be considered the

author of such Materials. If Materials are not considered “works for hire”, Contractor hereby irrevocably assigns all right, title, and interest in Materials, including all intellectual property rights, to the Superintendent effective from the moment of creation of such Materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Copyright ownership includes the right to patent, register and the ability to transfer these rights.

Contractor understands that, except where otherwise agreed to in writing or approved by the Superintendent or designee, all original works of authorship produced under this Contract shall carry a [Creative Commons Attribution License](#), version 4.0 or later.

All Materials the Contractor has adapted from others’ existing openly licensed resources must be licensed with the least restrictive open license possible that is not in conflict with existing licenses.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, Contractor will license the materials to allow others to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. If the Contractor would like to limit these pre-existing portions of the work to [non-commercial use](#), the [Creative Commons Attribution-NonCommercial-ShareAlike](#) license, version 4.0 or later, is acceptable for these specific sections.

The Contractor warrants and represents that Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to apply such a license.

The Contractor shall exert all reasonable effort to advise the Superintendent, at the time of delivery of data furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Superintendent shall receive prompt written notice of each notice or claim of infringement received by the Contractor with respect to any data delivered under this Contract. The Superintendent shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor.

- 14. Covenant Against Contingent Fees.** The Subcontractor warrants that no person or selling agent has been employed or retained to solicit or secure this Subcontract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agent maintained by the Subcontractor for the purpose of securing business. AWC shall have the right, in the event of breach of this clause by the Subcontractor, to annul this Subcontract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fees.
- 15. Disputes.** In the event that a dispute arises under this Subcontract, the parties will use their best efforts to amicably resolve any dispute, including use of alternative dispute resolution options.
- 16. Duplicate Payment.** AWC shall not pay the Subcontractor, if the Subcontractor has charged or will charge the state of Washington or any other party under any other contract or agreement, for the same services or expenses.

17. Entire Agreement. This Subcontract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Subcontract shall be deemed to exist or to bind any of the parties hereto.

18. Ethical Conduct. Neither the Subcontractor nor any employee or agent of the Subcontractor shall participate in the performance of any duty or service in whole or part under this Subcontract in violation of, or in a manner that violates any provision of the Ethics in Public Service law at Chapter 42.52 RCW, RCW 42.17A.550, RCW 42.17A.555, and 41.06.250 prohibiting the use of public resources for political purposes.

19. Governing Law and Venue. This Subcontract shall be construed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.

20. Indemnification. To the fullest extent permitted by law, Subcontractor shall indemnify, defend and hold harmless AWC and all officials, agents, and employees of AWC, from and against all claims for injuries or death arising out of or resulting from the performance of this Subcontract. "Claim" as used in this Subcontract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom. Additionally, "claims" shall include but not be limited to, assertions that the use or transfer of any software, book, document, report, film, tape or sound reproduction or material of any kind, delivered hereunder, constitutes an infringement of any copyright, patent, trademark, trade name, or otherwise results in an unfair trade practice or in unlawful restraint of competition. Subcontractor's obligation to indemnify, defend and hold harmless includes any claim by Subcontractor's agents, employees, representatives, or any subcontractor or its employees.

Subcontractor expressly agrees to indemnify, defend, and hold harmless AWC for any and all claims, costs, charges, penalties, demands, losses, liabilities, damages, judgments, or fines out of or incident to Subcontractor's or subcontractor's performance or failure to perform the Subcontract. Subcontractor's obligation to indemnify, defend, or hold harmless AWC shall not be eliminated or reduced by any actual or alleged concurrent negligence by AWC, or their agents, employees, or officials.

Subcontractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless AWC, and their agents, employees, or officials.

21. Independent Capacity of the Subcontractor. The parties intend that an independent Subcontractor relationship will be created by this Subcontract. The Subcontractor and his/her employees or agents performing under this Subcontract are not employees or agents of AWC. The Subcontractor will not hold themselves out as nor claim to be an officer or employee of AWC, the Superintendent or of the state of Washington by reason hereof, nor will the Subcontractor make any claim or right, privilege, or benefit which would accrue to such employee under law. Conduct and control of the work will be solely with the Contractor.

22. Licensing and Accreditation Standards. The Subcontractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary to the performance of this Subcontract.

- 23. Limitation of Authority.** Only AWC or AWC's delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this Subcontract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this Subcontract is not effective or binding unless made in writing and signed by AWC.
- 24. Non-Discrimination.** The Subcontractor shall comply with all the federal and state non-discrimination laws, regulations and policies, which are otherwise applicable to AWC. Accordingly, no person shall, on the ground of sex, race, creed, religion, color, national origin, marital status, families with children, age, veteran or military status, sexual orientation, gender expression, gender identity, disability, or the use of a trained dog guide or service animal, be unlawfully excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any activity performed by the Contractor and its agents under this Subcontract. The Subcontractor shall notify AWC immediately of any allegations, claims, disputes, or challenges made against it under non-discrimination laws, regulations, or policies, or under the Americans with Disabilities Act. In the event of the Subcontractor's noncompliance or refusal to comply with this nondiscrimination provision, this Subcontract may be rescinded, cancelled or terminated in whole or part, and the Subcontractor may be declared ineligible for further contracts with AWC.
- 25. Overpayments.** Subcontractor shall refund to AWC the full amount of any overpayment under this Subcontract within thirty (30) calendar days of written notice. If Subcontractor fails to make a prompt refund, AWC may charge Subcontractor one percent (1%) per month on the amount due until paid in full.
- 26. Public Disclosure.** Subcontractor acknowledges that AWC is subject to the Washington State Public Records Act, Chapter 42.56 RCW, and AWC acknowledges that the Subcontractor is subject to the Washington State Public Records Act, Chapter 42.56 RCW, and that this Subcontract shall be a public record as defined in RCW 42.56. Any specific information that is claimed by the Subcontractor to be confidential or proprietary must be clearly identified as such by the Subcontractor. To the extent consistent with chapter 42.56 RCW, AWC shall maintain the confidentiality of all such information marked confidential or proprietary. If a request is made to view the Subcontractor's information, AWC will notify the Subcontractor of the request and the date that such records will be released to the requester unless Subcontractor obtains a court order enjoining that disclosure. If the Subcontractor fails to obtain the court order enjoining disclosure, AWC will release the requested information on the date specified.
- 27. Publicity.** The Subcontractor agrees to submit to AWC all advertising and publicity matters relating to this Subcontract which in the AWC's judgment, AWC or the Superintendent's name can be implied or is specifically mentioned. The Subcontractor agrees not to publish or use such advertising and publicity matters without the prior written consent of AWC.
- 28. Registration with Department of Revenue.** The Subcontractor shall complete registration with the Department of Revenue and be responsible for payment of all taxes due on payments made under this Subcontract.
- 29. Records Maintenance.** The Subcontractor shall maintain all books, records, documents, data and other evidence relating to this Subcontract and performance of the services described herein, including but not

limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Subcontract. Subcontractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Subcontract, shall be subject at all reasonable times to inspection, review or audit by the AWC or the Superintendent, personnel duly authorized by AWC or the Superintendent, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

30. Right of Inspection. The Subcontractor shall provide right of access to its facilities to AWC or any of its officers at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Subcontract on behalf of AWC. All inspections and evaluations shall be performed in such a manner that will not unduly interfere with the Subcontractor's business or work hereunder.

31. Severability. The provisions of this Subcontract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

32. Subcontracting. Neither the Subcontractor nor any subcontractor of the subcontractor shall enter into subcontracts for any of the work contemplated under this Subcontract without obtaining prior written approval of AWC. Subcontractor is responsible to ensure that all terms, conditions, assurances and certifications set forth in this Subcontract are included in any and all Subcontracts. In no event shall the existence of the subcontract operate to release or reduce liability of the Subcontractor to the AWC for any breach in the performance of the Subcontractor's duties. This clause does not include contracts of employment between the Subcontractor and personnel assigned to work under this Subcontract.

If, at any time during the progress of the work, AWC determines in its sole judgment that any subcontractor is incompetent, AWC shall notify the Subcontractor, and the Subcontractor shall take immediate steps to terminate the subcontractor's involvement in the work. The rejection or approval by AWC of any subcontractor or the termination of a subcontractor shall not relieve the Subcontractor of any of its responsibilities under the Subcontract, nor be the basis for additional charges to AWC.

33. Taxes. All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the Subcontractor or its staff shall be the sole responsibility of the Subcontractor.

34. Technology Security Requirements. The security requirements in this document reflect the applicable requirements of Standard 141.10 (<https://ocio.wa.gov/policies>) of the Office of the Chief Information Officer for the state of Washington, which by this reference are incorporated into this agreement.

The Contractor acknowledges it is required to comply with WaTech Office of Chief Information Officer (OCIO) IT Security Policy 141 and OCIO IT Security Standard 141.10, Securing Information Technology Assets. OCIO IT Security Standard 141.10, Securing Information Technology Assets, applies to all Superintendent assets stored as part of a service, application, data, system, portal, module,

components or plug-in product(s) that are secured as defined by the WaTech OCIO's IT Security Policy 141 and OCIO IT Security Standard 141.10, Securing Information Technology Assets.

As part of OCIO IT Security Standard 141.10, a design review checklist and/or other action may be required. These activities will be managed and coordinated between AWC and the Subcontractor. Any related costs to performing these activities shall be at the expense of the Subcontractor. Any such activities and resulting checklist and/or other products must be shared with AWC.

35. Termination for Convenience. Except as otherwise provided in this Subcontract, the Superintendent or Superintendent's Designee may, by ten (10) days written notice, beginning on the second day after the mailing, terminate this Subcontract in whole or in part. The notice shall specify the date of termination and shall be conclusively deemed to have been delivered to and received by the Subcontractor as of midnight the second day of mailing in the absence of proof of actual delivery to and receipt by the Subcontractor. If this Subcontract is so terminated, AWC shall be liable only for payment required under the terms of the Subcontract for services rendered or goods delivered prior to the effective date of termination.

36. Termination for Default. In the event AWC determines the Subcontractor has failed to comply with the conditions of this Subcontract in a timely manner, AWC has the right to suspend or terminate this Subcontract. AWC shall notify the Subcontractor in writing of the need to take corrective action. If corrective action is not taken within thirty (30) days, the Subcontract may be terminated. AWC reserves the right to suspend all or part of the Subcontract, withhold further payments, or prohibit the Subcontractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Subcontractor or a decision by AWC to terminate the Contract. In the event of termination, the Subcontractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original Subcontract and the replacement or cover Subcontract and all administrative costs directly related to the replacement Subcontract, e.g., cost of the competitive bidding, mailing, advertising and staff time. The termination shall be deemed to be a "Termination for Convenience" if it is determined that the Subcontractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence. The rights and remedies of the AWC provided in this Subcontract are not exclusive and are in addition to any other rights and remedies provided by law.

37. Termination Due to Funding Limitations or Contract Renegotiation, Suspension. In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Subcontract and prior to normal completion of this Subcontract, with the notice specified below and without liability for damages:

- a. At AWC's discretion, AWC may give written notice of intent to renegotiate the Subcontract under the revised funding conditions.
- b. At AWC's discretion, AWC may give written notice to Subcontractor to suspend performance when AWC determines there is reasonable likelihood that the funding insufficiency may be resolved in a timeframe that would allow Subcontractor's performance to be resumed.

- (1) During the period of suspension of performance, each party will inform the other of any conditions that may reasonably affect the potential for resumption of performance.

- (2) When AWC determines that the funding insufficiency is resolved, it will give the Subcontractor written notice to resume performance, and Subcontractor shall resume performance.
 - (3) Upon the receipt of notice under b. (2), if Subcontractor is unable to resume performance of this Subcontract or if the Subcontractor's proposed resumption date is not acceptable to AWC and an acceptable date cannot be negotiated, AWC may terminate the Subcontract by giving written notice to the Subcontractor. The parties agree that the Subcontract will be terminated retroactive to the date of the notice of suspension. AWC shall be liable only for payment in accordance with the terms of this Subcontract for services rendered prior to the retroactive date of termination.
- c. AWC may immediately terminate this Subcontract by providing written notice to the Subcontractor. The termination shall be effective on the date specified in the termination notice. AWC shall be liable only for payment in accordance with the terms of this Subcontract for services rendered prior to the effective date of termination. No penalty shall accrue to AWC in the event the termination option in this section is exercised.
- d. For purposes of this section, "written notice" may include email.

38. Termination Procedure. Upon termination of this Subcontract the AWC, in addition to other rights provided in this Subcontract, may require the Subcontractor to deliver to AWC any property specifically produced or acquired for the performance of such part of this Contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The AWC shall pay to the Subcontractor the agreed upon price, if separately stated, for completed work and services accepted by AWC and the amount agreed upon by the Subcontractor and AWC for (a) completed work and services for which no separate price is stated, (b) partially completed work and services, (c) other property or services which are accepted by AWC, and (d) the protection and preservation of the property, unless the termination is for default, in which case AWC shall determine the extent of the liability. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause for this Subcontract. The AWC may withhold from any amounts due to the Subcontractor such sum as AWC determines to be necessary to protect AWC against potential loss or liability.

The rights and remedies of AWC provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law under this Subcontract.

After receipt of a notice of termination, and except as otherwise directed by the Superintendent, the Subcontractor shall:

- a. Stop work under this Subcontract on the date and to the extent specified, in the notice;
- b. Place no further orders or subcontractors for materials, services or facilities except as may be necessary for completion of such portion of the work under the Subcontract that is not terminated;

- c. Assign to AWC, in the manner, at the times, and to the extent directed by the AWC, all rights, title, and interest of the Subcontractor under the orders and subcontracts in which case AWC has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- d. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of AWC to the extent the AWC may require, which approval or ratification shall be final for all the purposes of this clause;
- e. Transfer title to AWC and deliver, in the manner, at the times and to the extent as directed by AWC, any property which, if the Subcontract had been completed, would have been required to be furnished to AWC;
- f. Complete performance of such part of the work not terminated by AWC; and
- g. Take such action as may be necessary, or as AWC may direct, for the protection and preservation of the property related to this Subcontract which, in is in the possession of the Subcontractor and in which AWC has or may acquire an interest.

39. Treatment of Assets. Except as otherwise provided for in the Subcontract, the ownership and title to all real property and all personal property purchased by the Subcontractor in the course of performing this Subcontract with moneys paid by the Superintendent shall vest in the Superintendent, except for supplies consumed in performing this Subcontract. The Subcontractor shall (1) maintain a current inventory of all the real and personal property; (2) label all the property "State of Washington, Superintendent of Public Instruction"; and, (3) surrender property and title to the Superintendent without charge prior to settlement upon completion, termination or cancellation of this Contract.

If any property is lost, destroyed, or damaged, the Contractor shall notify the Superintendent and take all reasonable steps to protect the property from further damage.

All reference to the Subcontractor under this clause shall include Subcontractor's employees, agents and subcontractors.

40. Waiver. A failure by either part to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this agreement. Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Agreement unless stated to be such in writing and signed by personnel authorized to bind each of the parties.

SEEK Application & Scope of Work

Insert detailed project description as included in the Funding Opportunity application & Attach SEEK Funding Application

Describe the youth experience your program will provide (what they will do). We are focusing on 4 programs that we are directly providing and 1 that we are partnering with another agency to provide. Our Park & Play program will provide opportunities for youth of all ages to receive recreation to-go kits, snacks, lunch and other services. This program goes to 3 different locations in the community to reach those that may be isolated or unable to transport to a program. Camp Tukwilly is a program for youth entering 1st - 5th grade. This program provides a safe and supportive environment for kids to be a part of. With Covid, this program has changed to a non travel camp. Youth rotate between locations in and around the center to participate in various activities including, games, Arts & Crafts, sports, reading, free time on the playground or open field. Teen Soccer Camp will be a 1 week camp that is free for middle school and high school kids. We will partner with the Rave Foundation to provide this camp. The camp will focus on the development of physical activity and the game of soccer. See You In The Park is a program that we will be bringing back with this grant. It will be family focused and be held in 2 different locations to help provide opportunities for families in various locations. One event will include a light art show and activities for youth followed by a movie in the park. The other event will be a family fun night with bouncers and activities for youth also followed by a movie. Both events will be free for all in attendance. The final program we would like to support with this grant is a partnership with the Somali Health Board. This program provides mentorship and leadership skill building through a growing soccer program. Youth of all ages participate in leadership classes, mentorship programs and also partake in youth soccer teams including regular practices and games. Describe how the program will meet the social, emotional, and/or academic needs of students and provide them with engaging and enriching outdoor experiences. Sub-recipients must prioritize activities or programs that promote students connecting socially with their classmates, encourage students to engage in physical activity, and support families who have struggled with child care needs. Park & Play provides opportunities for recreation in the parks. As youth are provided various equipment and activity kits, they are able to use them right there in the park and enjoy the activity while being outside with other kids before taking them home to keep. With over 71% of Tukwila school children being on free or reduced lunches, this program also provides a meal to families that may be struggling to keep children fed during the day when there is no school. Camp Tukwilly provides dedicated time outdoors to keep children physically active and engaged. There are multiple opportunities for children to socialize and connect with other children. In addition, this program enrollment was focused on Tukwila residents and the fee was lowered to less than half of the normal cost to ensure that those that are struggling during Covid will have an opportunity to afford the care. Teen soccer camp will be provided at no cost to the teens. This program will provide physical fitness components that will be set to the various abilities of the participants to support self confidence and growth. In addition this will be an opportunity for the teens to connect with their classmates that they may not have seen in over a year. See You In The Park will provide a fun outing for families that have been confined to their homes and may not been able to go out for family activities. With the activities and bouncers for the youth, this will provide more physical activities and encourage connections with other youth and families. The Somali Health Board partnership will provide more social and emotional growth for Somali children in Tukwila. This program

reaches many youth that can not afford to partake in a traditional soccer club due to the cost or the travel requirements. In this program, they are provided the opportunity to join a soccer team and practice in their neighborhood while also gaining leadership and mentorship opportunities. Describe how the program will respond to students' social, emotional, mental health, and academic needs and address the disproportionate impact of COVID-19 on students from low-income families, students of color, children with disabilities, English learners, and migratory students, students experiencing homelessness, and children and youth in foster care? Park & Play addresses the need of our very diverse population by providing this program in the neighborhood park where a large number of migratory families, low-income families, and students of color live. Camp Tukwilly dropped the price to less than half the normal cost to assist families impacted by Covid. We also focused the marketing of this program just to Tukwila residents to assure that our local youth and families in need will have the opportunity to participate. As Tukwila school district is one of the most diverse in the US, our program participants match that diversity. Teen Soccer Camp is planning on hiring staff from the community to help outreach and recruit the teens in the demographics listed in the question. By providing this program at no charge, it meets the financial needs of the families while providing social, emotional and mental health of the teens. With a large Somali population in Tukwila, our partnership with the Somali Health Board provides more support and opportunities for social, emotional and mental health for low income families, students of color, English learners and migratory students. List ways in which the program will reduce/remove institutional and systemic barriers to participation. Park & Play- no cost, program brought to the communities in need, marketing material and other resources translated into 6 different languages. Camp Tukwilly- lower cost, diverse staff to match the diverse participants. Teen Soccer Camp- no cost, program held at the high school close to major population areas, staff hired from the local community to recruit and interact with participants to encourage comfort with participation. See You In The Park- no cost, variety of activities appropriate for all cultures, marketing material is translated into 6 different languages and direct mailed to neighboring communities of the park. Partnership with Somali Health Board- working with the experts in the community in need to provide the services that the community needs. With this partnership, we are bringing groups and individuals who will be participating in the services into how the service will be delivered and programmed for. Explain how these funds allow your agency to provide services that it wouldn't be able to otherwise. Park & Play will use these funds to purchase bags for the participants to carry their items home in. More and larger recreation items will be purchased such as soccer balls, art kits, books, etc. Camp Tukwilly will use the grant to purchase outdoor play equipment and supplies. In addition, since this camp is a non travel camp, the grant will fund bringing in performers and entertainment such as reptile man, museum of flight, Ultimate disc club to teach ultimate disc to the campers, and other professionals. The last item will be an end of August outdoor activity day to celebrate the end of summer and the start of school in the fall. This event will be full of bouncers, games and activities all outside. Teen Soccer camp will use the funds to pay for the facility usage for the high school field and also pay for staff to be hired from the community. See You In The Park will use the funds to facilitate the Light Art Show, bouncers, purchase movie showing rights, pay for event staff and supplies. Somali Health Board partnership will use the funds to purchase soccer equipment, supplies for leadership and mentorship classes and pay for volunteer and staff training to better serve the Somali youth. List program partnerships with organizations that work with underserved and/or economically disadvantaged youth populations. Somali Health Board, Rave Foundation, Seattle School District, King County Public Health, Museum of Flight, Tukwila School District, U-Power,

African American History Museum, Delta Dental, King County Library, Tukwila Children's Foundation Provide the estimated number of hours each participant will spend outdoors. Park & Play- 2 hours each day of program Camp Tukwilly- 3-4 hours a day (weather dependent, extreme heat or cold will not go out) Teen Soccer Camp- 3 hours a day See You In the Park- 5-6 hours each event Somali Health Board- 3-6 hours a week Indicate whether your program will provide scholarships for underserved populations. 4 of the 5 programs are free and the 5th program was discounted for all participants so no scholarships are needed to be added. Funds will be to enhance or provide the programs at free or reduced costs for all. Explain timeframes during which the program will be offered – hours per day/week? What are the planned dates for the program during summer 2021? Park & Play – Every Tuesday & Thursday July 6th-August 26th. Program runs 11a-1pm at Cascade View Park, Crestview Park and Tukwila Community Center concurrently. Camp Tukwilly – Camp runs June 26th -August 27th 8a-5p. Teen Soccer Camp – August 9th - 13th 9a-Noon See You In The Park – Tentative dates: August 13th and August 27th Event time: 6p-11p Somali Health Board – exact times and dates will vary based on funding and availability of local fields and class rooms. However, the funds will be used to provide the program from July 16th through August 31st

Budget & Project Costs Worksheet

Budget (as presented in the SEEK application Project Costs Worksheet)

Project Costs	Estimated Summer 2021	Actual Summer 2021
Staff	\$6,700	
Equipment	\$7,000	
Scholarships	\$	
Supplies	\$16,000	
Transportation	\$	
Facilities	\$1,900	
Professional Services	\$17,500	
Filed Trips	\$	
Meals	\$	
Other	\$	
	\$	
	\$	
	\$	

Subcontractor Reporting Requirements

Reports must contain the following information:

- Describe the K-12-aged (4 to 21) youth who participated through this program including disaggregated data about student age range, gender, race/ethnicity, FRPL status, and other student information.
- Describe the type of program funded and the geographic area served.
- Explain how the program targeted youth populations were recruited to participate.
- Explain how these funds were used to create more access to underserved and/or economically disadvantaged youth.
- What disproportionately impacted communities did the summer recreation program serve?
- Discuss program successes and challenges.



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: April 20, 2021

SUBJECT: **Approve Ordinance to Issue Debt to Fund General Fund Portion of PW Shops Phase I Project, Refund Outstanding 2011 Limited Tax Obligation Bonds, Refund Outstanding 2014 Limited Tax Obligation Bonds**

Updated for July 26, 2021

ISSUE

Delegate authority to the Finance Director, through the end of September, to issue limited tax obligation bonds (LTGO) to issue debt to fund the general fund portion of the PW Shops Phase I project, refund the City's outstanding 2011 LTGO bonds, and refund the City's outstanding 2014 LTGO bonds via a direct placement process. Refunding the 2011 and 2014 bonds would only occur if total debt service would be lower than currently structured.

BACKGROUND

During the 2021-2022 budget process it was determined that, due to the current interest rate environment, the general fund portion (\$2,850,000) of funding the PW Shops Phase I project would be financed.

The City also has an opportunity to refund two outstanding LTGO issues, if debt service savings can be achieved, net of issuance costs.

1). The City issued \$4,620,000 LTGO bonds on December 28, 2011, to refund 2003 Series A bonds that were issued to fund street improvements. Bonds were issued with an interest rate ranging from 2.00% to 4.00%; interest rates are higher during the last few years of the repayment schedule. Interest rates for the remaining life of the bonds range from 3.00% to 4.00%. Final payment for these bonds is December 2023. These bonds have a call provision that allows the bonds to be called on December 1, 2021. Given that current interest rates are lower than the rate the City is paying on these bonds, it is the City's best interest to pursue a refunding of these bonds.

2). The City issued \$3,850,000 LTGO bonds in December 2014 to fund land acquisition and capital costs of redevelopment activities within the City's Urban Renewal area. Bonds were issued with an interest rate ranging from 0.85% to 4.86% through 2024. After 2024, the interest rate is adjusted to the 5-year Advance Fixed Bullet Rate, as quoted by the Seattle Federal Loan Bank, divided by 0.65. Interest rates for the remaining life of the bonds range from 4.32% to 4.86% through 2024. Final payment for these bonds is December 2034. These bonds were a private placement with Zions Bank and there is no prepayment penalty for refunding them after

December 2020. Given the current interest rate environment and the uncertainty of future interest rates, it is the City's best interest to pursue a refunding of these bonds.

Per the City's current debt policy, adopted by Resolution No. 1840, the City will refinance debt to achieve debt service savings as market opportunities arise.

DISCUSSION

As of May 2021, the outstanding balance of the 2011 LTGO bonds is \$1,545,000 plus total interest of \$98,700. The 2014 refunding LTGO bonds have an outstanding principal amount of \$3,101,000 and total interest is estimated to be \$748,907. Total interest is subject to change depending on the interest rate in effect from 2025 through 2034.

An RFP will be circulated to banks at the end of April 2021 to determine what banks are interested in submitting a proposal. Review of the proposals is tentatively scheduled for May 20, 2021, with an expected closing date of June 8, 2021, for the component related to the PW Shops Phase I project and a closing date of September 2, 2021, for refunding the 2011 and/or 2014 outstanding bond issues.

The draft ordinance delegates authority to the Finance Director to select the proposal that is in the best interest of the City (if any) and to approve the interest rate and terms of the bond within the parameters set forth in the ordinance.

If a proposal is accepted, the Finance Director will report back to the full Council on the details of the agreement.

Updated Information on Issuing Debt for PW Shops Phase I and Refunding Two Issues

The City successfully issued debt to fund the PW Shops Phase I project. The City was also successful in refunding both the 2011 and 2014 LTGO bonds and the deal closed on June 8, 2021. The City received bids from 4 banks and the lowest bid for the combined three issues was from Capital One.

Debt issued for the PW Shops Phase I project came in very close to budget. Total debt service payments over the life of the 10-year bonds will average just over \$314 thousand each year with an interest rate of 1.70%.

Total savings, after taking into consideration the debt refinancing costs, is approximately \$97 thousand total for refunding both the 2011 and 2014 LTGO bonds. Interest rates for the refunded bonds range from 1.15% to 2.70%, which a reduction from 3.0% to 4.86%.

RECOMMENDATION

The Council is being asked to approve the ordinance and consider this item at the May 10, 2021, Committee of the Whole meeting and subsequent May 17, 2021, Regular Meeting.

ATTACHMENTS

Draft Ordinance



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Aaron Williams, Fiscal Manager

CC: Mayor Ekberg

DATE: July 26, 2021

SUBJECT: May 2021 Departmental Budget-to-Actuals Report

Summary

The purpose of the May 2021 General Fund 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 May 2021 Report is based on financial data available as of July 13, 2021, for the period ending May 31, 2021. Additional details can be found within the attached financial report.

Expenditures

General Fund departmental expenditures totaled \$23.52 million through May, which is \$1.54 million less than the allocated budget of \$25.07 million. Dept. 20, which is transfers to other funds totaled \$1.37 million, which is \$249 thousand less than the allocated budget. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

While all but one department is currently below the allocated budget, there is growing concern that department budgets, in general, are too low and may be unable to absorb necessary costs without a budget amendment. In reviewing expenditures by type, insurance exceeds the annual budget by \$84 thousand and utilities category has now expended 71% of the annual budget. Given that the City has 3 new facilities and the vacated fire stations are still owned by the City, it is very likely that the annual utilities budget will be exceeded in the 3rd quarter of 2021.

Staff will be closely monitoring departmental budgets and will continue to keep the City Council fully informed of additional budgetary concerns.

Departmental Variances

All but one General Fund department was under their allocated budget through May 2021. Noteworthy variances are:

- The Fire Department is \$358 thousand over the allocated budget of \$5.23 million. The variance is related to overtime & associated benefits compared to the allocated budget. Council recently gave consensus for a year-end budget amendment to increase fire overtime by \$200k. An additional budget amendment will be needed to account for overtime that is reimbursable. Any reimbursable overtime will have no effect on the general fund. However, given the use of minimum staffing overtime in 2021, unless action is taken to reduce expenditures, a budget amendment that will affect the general fund will be needed. Additional information is currently being prepared for a full conversation on the Fire Department budget at a committee meeting in the near future.

The chart below provides additional details on overtime associated with the Fire Department.

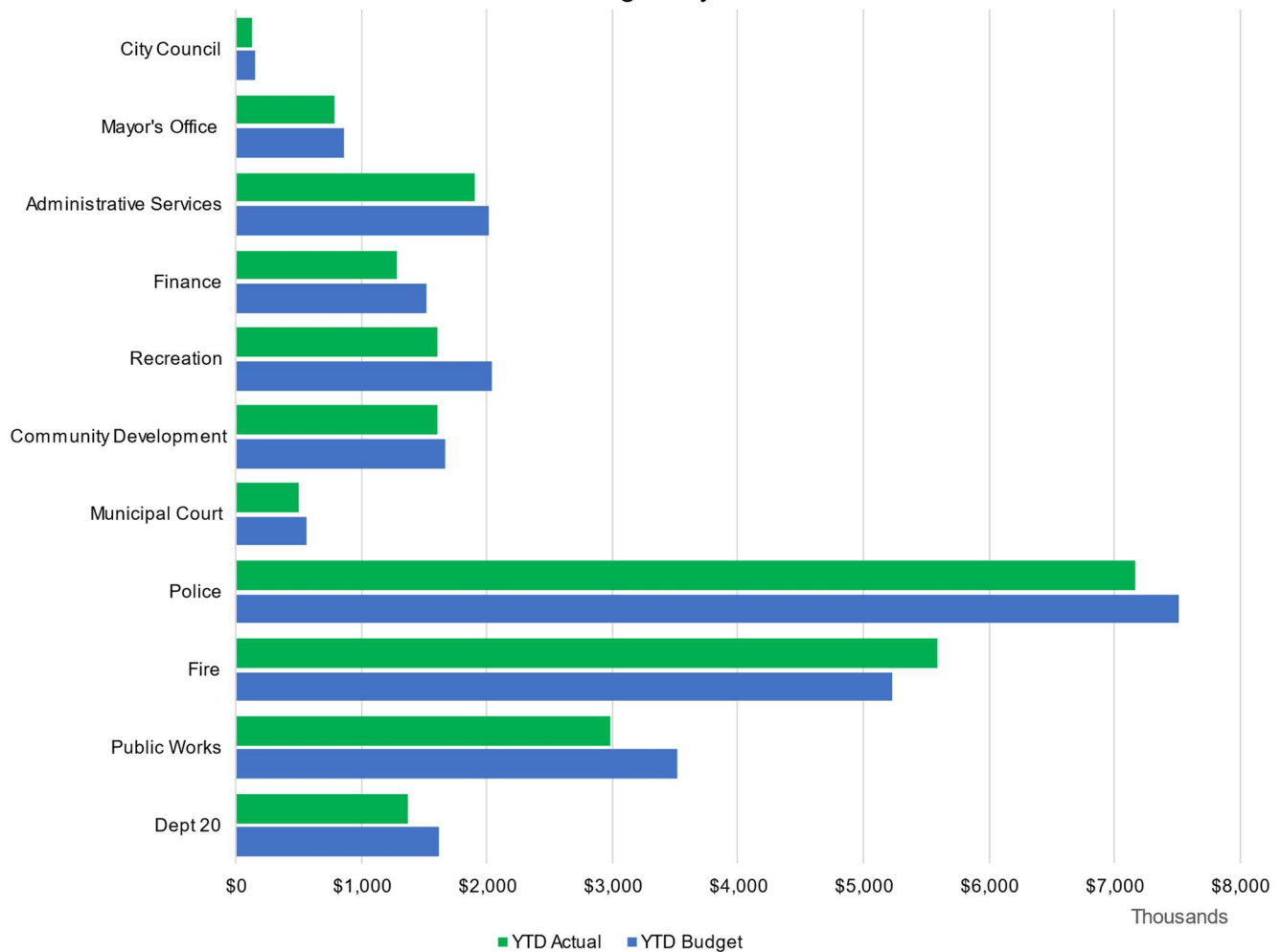
Fire Overtime Summarized - Through May 31, 2021							
Category	Reimbursable OT			Category	Unreimbursable OT		
	Salary	Benefits	Total		Salary	Benefits	Total
Billable Contractor	\$ 7,694	\$ 1,010	\$ 8,704	Minimum Staffing	\$ 164,160	\$ 21,554	\$ 185,714
COVID Testing Site	134,538	17,665	152,203	Instructor	9,582	1,258	10,840
Repeater Malfunction	59,989	7,877	67,866	Training	13,129	1,724	14,853
				Fire Prevention	32,733	4,298	37,031
				Fire Investigation	1,996	262	2,258
				Academy	19,006	2,495	21,501
				Public Safety Plan	7,327	962	8,289
				Meetings	5,537	727	6,264
				Shift Extension	5,461	717	6,178
				Special Assignment	4,145	544	4,689
				Other	18,480	2,426	20,906
Totals	\$ 202,221	\$ 26,552	\$ 228,773		\$ 281,556	\$ 36,968	\$ 318,524

Budget Amendments

The list below outlines budget amendments the City Council has already given consensus for and will be included in the final budget amendment at year-end.

Council Meeting Date	Summary of Budget Amendment
4/5 regular meeting	Contract for BHC Consultants for structural plan review. Cost neutral as this is a revenue backed contract. Any increase in expenditures will also include the same increase in revenue
4/5 regular meeting	Contract for Reid Middleton for structural plan review. Cost neutral as this is a revenue backed contract. Any increase in expenditures will also include the same increase in revenue
5/10 COW	Consensus to use new funding (SST) to restore service levels and cover certain contractual obligations. Budget amendment will include increasing both revenue and expenditures by the same amount.
5/17 regular meeting	Acceptance of Sound Transit System Access grant. Both revenue and expenditures will be increased by the same amount, net effect of zero
5/24 COW	Grant contract with King County Dept. of Community and Human Services. Award amount of \$115,384 so both revenue and expenditures will be adjusted, net effect of zero
5/24 COW	Use of SST funds to complete the transfer of records from the offsite storage location to City Hall. Use of SST is estimated to be \$40k. Again revenue backed so net effect of zero to the general fund
6/14 COW	BNSF Alternative Access Study for up to \$1.25 million
6/14 COW	Fire advisory Task Force Consulting for up to \$80 thousand
6/21 regular meeting	TDM regional mobility grant award, no effect on general fund

Year to Date Department Expenditures Compared to Allocated Budget Through May 2021



GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of May 31, 2021

EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
01 City Council	\$ 363,618	\$ 151,590	\$ 156,024	\$ 143,626	\$ 129,302	\$ (22,287)	36%	-8%	-10%
03 Mayor's Office	2,104,126	861,208	901,047	915,213	779,776	(81,432)	37%	2%	-15%
04 Administrative Services	4,984,464	2,018,101	1,797,915	1,764,039	1,899,259	(118,842)	38%	-2%	8%
05 Finance	3,049,858	1,513,783	1,168,215	1,233,527	1,277,528	(236,255)	42%	6%	4%
07 Recreation	4,260,543	2,035,236	2,007,620	1,828,551	1,604,128	(431,108)	38%	-9%	-12%
08 Community Development	4,069,943	1,670,680	1,491,955	1,331,880	1,601,406	(69,274)	39%	-11%	20%
09 Municipal Court	1,272,888	557,330	524,698	552,692	504,053	(53,277)	40%	5%	-9%
10 Police	18,286,665	7,512,590	7,618,667	7,305,975	7,160,165	(352,424)	39%	-4%	-2%
11 Fire	12,706,860	5,226,215	5,395,035	5,269,776	5,584,048	357,833	44%	-2%	6%
13 Public Works	6,584,325	3,520,512	3,615,620	3,323,727	2,982,704	(537,807)	45%	-8%	-10%
Subtotal	57,683,290	25,067,244	24,676,798	23,669,007	23,522,370	(1,544,874)	41%	-4%	-1%
20 Dept 20	5,462,760	1,614,704	2,460,097	886,326	1,365,690	(249,014)	25%	-64%	54%
Total Expenditures	\$ 63,146,050	\$ 26,681,947	\$ 27,136,894	\$ 24,555,333	\$ 24,888,060	\$ (1,793,887)	39%	-10%	1%

Percent of year completed 42%

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of May 31, 2021

SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
11 Salaries	\$ 28,723,860	\$ 12,322,159	\$ 11,674,707	\$ 12,047,049	\$ 11,577,264	\$ (744,896)	40%	3%	-4%
12 Extra Labor	347,528	264,959	272,693	117,378	11,826	(253,133)	3%	-57%	-90%
13 Overtime	1,218,115	449,001	770,092	416,507	878,487	429,486	72%	-46%	111%
15 Holiday Pay	515,500	5,105	5,996	3,900	8,938	3,833	2%	-35%	129%
21 FICA	1,872,655	812,046	761,159	751,080	725,217	(86,829)	39%	-1%	-3%
22 Pension-LEOFF	899,828	433,090	363,548	516,159	360,683	(72,407)	40%	42%	-30%
23 Pension-PERS/PSERS	1,631,377	721,676	731,502	732,582	687,866	(33,810)	42%	0%	-6%
24 Industrial Insurance	875,820	400,900	351,339	399,162	395,663	(5,237)	45%	14%	-1%
25 Medical & Dental	6,904,119	2,815,744	2,382,990	2,632,364	2,594,499	(221,245)	38%	10%	-1%
26 Unemployment	-	-	10,400	27,319	20,710	20,710	-	163%	-24%
28 Uniform/Clothing	8,525	1,173	1,313	614	876	(296)	10%	-53%	43%
Total Salaries & Benefits	\$ 42,997,327	\$ 18,225,853	\$ 17,325,739	\$ 17,644,113	\$ 17,262,030	\$ (963,823)	40%	2%	-2%

SUPPLIES, SERVICES AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
0 Transfers	\$ 5,462,760	\$ 1,614,704	\$ 2,460,097	\$ 886,326	\$ 1,365,690	\$ (249,014)	25%	-64%	54%
31 Supplies	1,055,711	403,555	571,191	299,124	268,916	(134,638)	25%	-48%	-10%
34 Items Purchased for resale	13,000	10,000	5,810	235	859	(9,141)	7%	-96%	265%
35 Small Tools	66,450	22,189	45,195	41,538	21,029	(1,160)	32%	-8%	-49%
41 Professional Services	5,439,071	1,889,361	2,243,112	1,781,800	2,095,315	205,954	39%	-21%	18%
42 Communication	481,810	198,101	149,055	164,927	173,413	(24,689)	36%	11%	5%
43 Travel	83,196	63,319	94,124	31,014	6,403	(56,916)	8%	-67%	-79%
44 Advertising	34,750	7,271	8,259	4,408	1,792	(5,479)	5%	-47%	-59%
45 Rentals and Leases	2,166,137	747,987	1,174,759	546,056	562,065	(185,922)	26%	-54%	3%
46 Insurance	1,030,329	1,030,329	889,957	987,671	1,113,881	83,552	108%	11%	13%
47 Public Utilities	1,991,445	1,465,868	1,345,070	1,362,568	1,420,550	(45,318)	71%	1%	4%
48 Repairs and Maintenance	651,669	265,181	327,261	337,885	164,881	(100,300)	25%	3%	-51%
49 Miscellaneous	1,153,730	522,121	497,267	462,173	355,055	(167,066)	31%	-7%	-23%
64 Machinery & Equipment	518,665	216,110	-	5,495	76,184	(139,927)	15%	-	1287%
Total Operating Expenses	20,148,723	8,456,095	9,811,156	6,911,220	7,626,030	(830,064)	38%	-30%	10%
Total Expenses	\$63,146,050	\$26,681,947	\$27,136,894	\$24,555,333	\$24,888,060	\$ (1,793,887)	39%	-10%	1%

Percent of year completed 42%