



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, NOVEMBER 8, 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 458647898#**

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 resolution adopting the 2022 Legislative Agenda. <i>Rachel Bianchi, Deputy City Administrator</i>	a. Forward to 11/22 C.O.W. and 12/6 Regular Mtg.	Pg.1
b. An Enterprise Agreement for GIS software. <i>Roman Linsao, GIS Coordinator</i>	b. Forward to 11/15 Consent Agenda.	Pg.7
c. A contract with Pacifica Law Group for Bond Counsel services. <i>Vicky Carlsen, Finance Director</i>	c. Forward to 11/15 Consent Agenda.	Pg.19
d. An ordinance and a resolution updating the Investment Policy. <i>Vicky Carlsen, Finance Director</i>	d. Forward to 11/22 C.O.W. and 12/6 Regular Mtg.	Pg.29
e. Continued discussion on American Rescue Plan Act (ARPA) funds. <i>Vicky Carlsen, Finance Director</i>	e. Discussion only.	Pg.49
2. MISCELLANEOUS		

Next Scheduled Meeting: *November 22, 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: Transportation & Infrastructure Committee
Finance & Governance Committee**

FROM: Rachel Bianchi, Deputy City Administrator

CC: Mayor Ekberg

DATE: October 25, 2021

SUBJECT: 2022 Legislative Agenda

ISSUE

The City of Tukwila develops an annual legislative agenda for use in Olympia during the legislative session.

BACKGROUND

The City's Legislative Agenda provides direction to staff and consensus among the elected officials as to what policy positions are taken on behalf of the City of Tukwila during the legislative session.

RECOMMENDATION

The Transportation & Infrastructure and Finance & Governance Committees are being asked to provide comment and feedback, which will be incorporated into the agenda for discussion at the November 22, 2021, Committee of the Whole meeting. The full Council is being asked to formally adopt the agenda at the December 6 Regular Meeting. The City's lobbyist, David Foster, will provide a legislative update at the November 22, 2021 Council meeting.

ATTACHMENTS

Resolution in draft form
Attachment A – Legislative Agenda

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING A LEGISLATIVE AGENDA FOR USE DURING THE 2022 WASHINGTON STATE LEGISLATIVE SESSION.

WHEREAS, the City Council has agreed to pursue certain legislative issues for 2022; and

WHEREAS, the City Council recognizes this agenda is not all encompassing, in that certain additional items may arise during the legislative session that require support or opposition; and

WHEREAS, a legislative agenda outlines the priority issues that elected officials may discuss when speaking to members of the Washington State Legislature; and

WHEREAS, the City Council agreed to these priorities at the City Council Meeting on December 6, 2021;

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

The Tukwila City Council has identified priorities for the 2022 Washington State Legislative Session that provide a framework for advocacy on behalf of the community. The City of Tukwila 2022 Legislative Agenda is hereby incorporated by reference as Attachment A.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2021.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Kate Kruller, Council President

APPROVED AS TO FORM BY:

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

Office of the City Attorney

Attachment A: City of Tukwila 2022 Legislative Agenda

ATTACHMENT A

DRAFT

City of Tukwila 2022 Legislative Agenda

Transportation & Infrastructure

- Provide funding for critical local infrastructure, including the **Allentown Bridge**, which is **Structurally Deficient and Functionally Obsolete**.
- Create **stable, reliable infrastructure assistance funding** for cities to assist in repairing roads, bridges and other public infrastructure that support economic development.

Housing & Human Services

- **Address the housing stability crisis** by providing additional tools for rental assistance, foreclosure/eviction prevention and capital construction of affordable housing.
- We strongly encourage the state to **adequately fund human services** programs for the health of the safety net.

Advancing Equity

- Develop and implement a **racial equity toolkit** for legislation, policies and programs to advance racial equity in Washington.
- **Ensure affordable, high-quality broadband internet access** is available to all households and businesses to provide educational, entrepreneurial, business and accessibility equity for all Washingtonians to access the internet.
- Enact a **financial inclusion law** that will address the public safety and equal access issues caused by bank de-risking.

Shared Revenue

- **Include local governments in any new statewide revenues** to ensure the long-term health of municipalities.
- The State must continue its role as a **partner with cities**, including reinstating funding for the Public Works Assistance Account and Community Economic Revitalization Board.
- ~~Ensure funding for **Streamlined Sales Tax Mitigation** payments brought back in the 2019 session remain funded and identify a longer term funding strategy beyond the 2020/2021 biennium.~~

Revenue Reform

- Allow cities the **authority and flexibility** to address the fact that growth in the cost of services continue to outstrip revenues.
- The state should **amend the law** that limits annual property tax growth to 1 percent and work with cities to authorize additional funding flexibility and opportunities at the local level.

Education

- Implement **needs based funding** for allocation of social emotional student support resources and **expand funding for learning opportunities** for summer school students.
- Increase **funding for homeless students** and secondary ELL students.
- Incorporate early learning for low income students as a part of **Basic Education**.

Preserve Lodging Tax Flexibility

- Ensure the definition of “tourist” in Washington State **remains flexible** to allow jurisdictions and Lodging Tax Advisory Committees to distribute lodging tax dollars in a manner that **best serves each individual community**.

Preparing for Our Future

- Enact policies to prepare to **combat climate change**, including adequately budgeting for its effects and providing tools to cities to prepare and address the ramifications of flooding, pollution and other key factors.
- Continue to invest in **workforce education and job training** to ensure Washingtonians have access to high-quality career and technical education opportunities.
- [Support a permanent policy that allows greater flexibility for local governments to hold virtual meetings without a physical location.](#)

Police Reform

- ~~Enact police reforms identified by the Association of Washington Cities:~~
 - ~~Develop a statewide standard for use of force that preserves the right of local jurisdictions to enact more restrictive standards based on community input.~~
 - ~~Create a database to track officers who have been fired for misconduct and make it accessible to departments in their recruitment and hiring processes.~~
 - ~~Expand grounds for decertification to include use of force violations.~~
 - ~~Require that officer misconduct investigations be completed, regardless of an officer’s resignation.~~
 - ~~Establish a duty for all law enforcement officers to immediately intervene and report misconduct or illegal activity by a fellow police officer.~~
 - ~~Require that all officers receive regular support for vicarious trauma and mental well-being, including peer support, mental health counseling, and appropriate mental health screenings. Officers involved in any fatal use of force must undergo a mental health screening prior to returning to duty.~~

[Law Enforcement Use of Force](#)

- [Support clarification of the civil standards for use of force requirements so law enforcement can better understand the state requirements and know when they can use force to intervene in a situation, including a mental health crisis where a crime is not being committed.](#)



INFORMATIONAL MEMORANDUM

TO: Finance & Safety Committee

FROM: Joel Bush (TIS)

BY: Tami Eberle-Harris, Roman Linsao

CC: Mayor Ekberg

DATE: November 08, 2021

SUBJECT: ESRI Enterprise Agreement (EA) for GIS

ISSUE

ESRI Enterprise Agreement expiring on 01/15/2022.

BACKGROUND

The City of Tukwila has realized substantial growth in areas of GIS during the past 4 years with the Enterprise Agreement from ESRI providing the backbone. This proposal details the advantages of continuing the relationships and licensing for an additional two-year period.

DISCUSSION

The Council approved the purchase of a two-year Enterprise Agreement with ESRI at the end of 2017. In 2019, the Council approved continuation of the relationship by approving an additional two-year contract. The current contract is set to expire January 15, 2022.

During the past 4 years, GIS capabilities have been expanded and increased productivity has been realized. With limited staff resources in Tukwila's GIS division, it is imperative that end users have access to GIS resources, and that tools are built to engage end-users in self-service functionality, thereby increasing productivity. The ESRI EA allows this capability.

Success stories with GIS include but are not limited to the following.

Creation of a web viewer for the Municipal LTE grant application was instrumental in telling the story of the current digital divide in Tukwila. It clearly showed both where access is lacking and where fiber is available. This visibility highlighted and socialized the intrinsic need for digital equity, and provided answers to stakeholders when requesting letters for support.

During the 'Stay home, Stay Healthy' order in 2020, an interactive Web application was created for the 'Great Tukwila Carry-Out' program which assisted users in identifying pick-up and delivery options around the city, supporting both businesses and residents of Tukwila.

A current project to provide transparency and visibility on as-builts is being realized by providing a web viewer that staff can use to access electronically available as-builts, identified spatially in GIS and also accessible in the city's Laserfiche repository. Having the as-builts available on a GIS viewer will greatly reduce liability as they will be easily accessible to staff.

Throughout the city, multiple divisions are managing their workload with GIS tightly integrated with Lucity Asset management. A field map application is being developed for Public Works to further manage franchise work. Dashboards are being utilized in DCD for analyzing Code Compliance and Permitting. Digital Storymaps are available and allow users to author a web-based application that enables the ability to share maps in the context of narrative text in a user-friendly format.

Having the ESRI Enterprise Agreement in place has enhanced productivity and directly supported the businesses and residents of Tukwila.

Providing the Enterprise License Agreement is continued, additional opportunities will be realized.

FINANCIAL IMPACT

The Enterprise Agreement includes uncapped quantities of Desktop software and developer tools, 10,000 online service credits, 100 user named licenses for ArcGISOnline, and multiple software extensions.

The cost shown in the attached quote covers the two-year period for the ELA with training included in an amount not to exceed \$63,407. The total amount over two-years is budgeted in the current TIS budget.

RECOMMENDATION

The committee is being asked to consider the 2-year ESRI Enterprise Agreement in the amount of \$63,407 (total amount for two years, currently allocated in TIS budget) and forward this item to the November 15, 2021 Regular Meeting Consent Agenda.

ATTACHMENTS

Contract



July 6, 2021

Ms. Tami Eberle-Harris
City of Tukwila
6300 Southcenter Blvd Ste 202
Tukwila, WA 98188-8549

Dear Tami,

The Esri Small Municipal and County Government Enterprise Agreement (SGEA) is a two-year agreement that will grant your organization access to Esri term license software. The EA will be effective on the date executed and will require a firm, two-year commitment.

Based on Esri's work with several organizations similar to yours, we know there is significant potential to apply Geographic Information System (GIS) technology in many operational and technical areas within your organization. For this reason, we believe that your organization will greatly benefit from an Enterprise Agreement (EA).

An EA will provide your organization with numerous benefits including:

- A lower cost per unit for licensed software
- Substantially reduced administrative and procurement expenses
- Complete flexibility to deploy software products when and where needed

The following business terms and conditions will apply:

- All current departments, employees, and in-house contractors of the organization will be eligible to use the software and services included in the EA.
- If your organization wishes to acquire and/or maintain any Esri software during the term of the agreement that is not included in the EA, it may do so separately at the Esri pricing that is generally available for your organization for software and maintenance.
- The organization will establish a single point of contact for orders and deliveries and will be responsible for redistribution to eligible users.
- The organization will establish a Tier 1 support center to field calls from internal users of Esri software. The organization may designate individuals as specified in the EA who may directly contact Esri for Tier 2 technical support.
- The organization will provide an annual report of installed Esri software to Esri.
- Esri software and updates that the organization is licensed to use will be automatically available for downloading.
- The fee and benefits offered in this EA proposal are contingent upon your acceptance of Esri's Small Municipal and County Government EA terms and conditions.

- Licenses are valid for the term of the EA.

This program offer is valid for 90 days. To complete the agreement within this time frame, please contact me within the next seven days to work through any questions or concerns you may have.

To expedite your acceptance of this EA offer:

1. Sign and return the EA contract with a Purchase Order or issue a Purchase Order that references this EA Quotation and includes the following statement on the face of the Purchase Order:

"THIS PURCHASE ORDER IS GOVERNED BY THE TERMS AND CONDITIONS OF THE ESRI SMALL MUNICIPAL AND COUNTY GOVERNMENT EA, AND ADDITIONAL TERMS AND CONDITIONS IN THIS PURCHASE ORDER WILL NOT APPLY."

Have it signed by an authorized representative of the organization.

2. On the first page of the EA, identify the central point of contact/agreement administrator. The agreement administrator is the party that will be the contact for management of the software, administration issues, and general operations. Information should include name, title (if applicable), address, phone number, and e-mail address.
3. In the purchase order, identify the "Ship to" and "Bill to" information for your organization.
4. Send the purchase order and agreement to the address, email or fax noted below:

Esri	e-mail: service@esri.com
Attn: Customer Service SG-EA	fax documents to: 909-307-3083
380 New York Street	
Redlands, CA 92373-8100	

I appreciate the opportunity to present you with this proposal, and I believe it will bring great benefits to your organization.

Thank you very much for your consideration.

Best Regards,

Heather Glock



Quotation # Q-447451

Date: July 6, 2021

Customer # 135074 Contract # ENTERPRISE AGREEMENT

City of Tukwila
 Information Technology Dept
 6300 Southcenter Blvd Ste 202
 Tukwila, WA 98188-8549

ATTENTION: Tami Eberle-Harris
 PHONE: 2064337150 x1153
 EMAIL: tami.harris@tukwilawa.gov

Environmental Systems Research Institute, Inc.
 380 New York St
 Redlands, CA 92373-8100
 Phone: (909) 793-2853 Fax: (909) 307-3049
 DUNS Number: 06-313-4175 CAGE Code: OAMS3

*To expedite your order, please attach a copy of this quotation to your purchase order.
 Quote is valid from: 7/6/2021 To: 10/4/2021*

Material	Qty	Term	Unit Price	Total
168177	1	Year 1	\$27,500.00	\$27,500.00
Populations of 0 to 25,000 Small Government Term Enterprise License Agreement				
168177	1	Year 2	\$27,500.00	\$27,500.00
Populations of 0 to 25,000 Small Government Term Enterprise License Agreement				
174382	4		\$713.00	\$2,852.00
Esri Training Pass per Day One Year Term				

Subtotal:	\$57,852.00
Sales Tax:	\$5,555.00
Estimated Shipping and Handling (2 Day Delivery):	\$0.00
Contract Price Adjust:	\$0.00
Total:	\$63,407.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Heather Glock	Email: hglock@esri.com	Phone: 909-793-2853 x8948
<p>The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at https://go.esri.com/MAPS apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at https://www.esri.com/en-us/legal/terms/state-supplemental apply to some state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin.</p>		

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This offer is limited to the terms and conditions incorporated and attached herein.



Quotation # Q-447451

Date: July 6, 2021

Customer # 135074 Contract # ENTERPRISE AGREEMENT

City of Tukwila
Information Technology Dept
6300 Southcenter Blvd Ste 202
Tukwila, WA 98188-8549

ATTENTION: Tami Eberle-Harris
PHONE: 2064337150 x1153
EMAIL: tami.harris@tukwilawa.gov

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Phone: (909) 793-2853 Fax: (909) 307-3049
DUNS Number: 06-313-4175 CAGE Code: OAMS3

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 7/6/2021 To: 10/4/2021

If you have made ANY alterations to the line items included in this quote and have chosen to sign the quote to indicate your acceptance, you must fax Esri the signed quote in its entirety in order for the quote to be accepted. You will be contacted by your Customer Service Representative if additional information is required to complete your request.

If your organization is a US Federal, state, or local government agency; an educational facility; or a company that will not pay an invoice without having issued a formal purchase order, a signed quotation will not be accepted unless it is accompanied by your purchase order.

In order to expedite processing, please reference the quotation number and any/all applicable Esri contract number(s) (e.g. MPA, ELA, SmartBuy, GSA, BPA) on your ordering document.

BY SIGNING BELOW, YOU CONFIRM THAT YOU ARE AUTHORIZED TO OBLIGATE FUNDS FOR YOUR ORGANIZATION, AND YOU ARE AUTHORIZING ESRI TO ISSUE AN INVOICE FOR THE ITEMS INCLUDED IN THE ABOVE QUOTE IN THE AMOUNT OF \$_____, PLUS SALES TAXES IF APPLICABLE. DO NOT USE THIS FORM IF YOUR ORGANIZATION WILL NOT HONOR AND PAY ESRI'S INVOICE WITHOUT ADDITIONAL AUTHORIZING PAPERWORK.

Please check one of the following:

I agree to pay any applicable sales tax.

I am tax exempt, please contact me if exempt information is not currently on file with Esri.

Signature of Authorized Representative

Date

Name (Please Print)

Title

The quotation information is proprietary and may not be copied or released other than for the express purpose of system selection and purchase/license. This information may not be given to outside parties or used for any other purpose without consent from Environmental Systems Research Institute, Inc. (Esri).

Any estimated sales and/or use tax reflected on this quote has been calculated as of the date of this quotation and is merely provided as a convenience for your organization's budgetary purposes. Esri reserves the right to adjust and collect sales and/or use tax at the actual date of invoicing. If your organization is tax exempt or pays state tax directly, then prior to invoicing, your organization must provide Esri with a copy of a current tax exemption certificate issued by your state's taxing authority for the given jurisdiction.

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Heather Glock	Email: hglock@esri.com	Phone: 909-793-2853 x8948
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The items on this quotation are subject to and governed by the terms of this quotation, the most current product specific scope of use document found at <https://assets.esri.com/content/dam/esrisites/media/legal/product-specific-terms-of-use/e300.pdf>, and your applicable signed agreement with Esri. If no such agreement covers any item quoted, then Esri's standard terms and conditions found at <https://go.esri.com/MAPS> apply to your purchase of that item. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Supplemental terms and conditions found at <https://www.esri.com/en-us/legal/terms/state-supplemental> apply to some state and local government purchases. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's offerings. Acceptance of this quotation is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. Unless prohibited by law, the quotation information is confidential and may not be copied or released other than for the express purpose of system selection and purchase/license. The information may not be given to outside parties or used for any other purpose without consent from Esri. Delivery is FOB Origin.

GLOCKH

This offer is limited to the terms and conditions incorporated and attached herein.

Esri Use Only:

Cust. Name _____
Cust. # _____
PO # _____
Esri Agreement # _____



**SMALL ENTERPRISE AGREEMENT
COUNTY AND MUNICIPALITY GOVERNMENT
(E214-1)**

This Agreement is by and between the organization identified in the Quotation ("**Customer**") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Customer's use of Products and incorporates by reference (i) the Quotation and (ii) the Master Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the Master Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Customer is located without reference to conflict of laws principles, and the United States of America federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
List of Products**

Uncapped Quantities

Desktop Software and Extensions (Single Use)

ArcGIS Desktop Advanced
ArcGIS Desktop Standard
ArcGIS Desktop Basic
ArcGIS Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager, ArcGIS Data Reviewer

Enterprise Software and Extensions

ArcGIS Enterprise and Workgroup (Advanced and Standard)
ArcGIS Monitor
ArcGIS Enterprise Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager

Enterprise Additional Capability Servers

ArcGIS Image Server

Developer Tools

ArcGIS Engine
ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics
ArcGIS Runtime (Standard)
ArcGIS Runtime Analysis Extension

Limited Quantities

One (1) Professional subscription to ArcGIS Developer
Two (2) ArcGIS CityEngine Single Use Licenses
50 ArcGIS Online Viewers
50 ArcGIS Online Creators
10,000 ArcGIS Online Service Credits
50 ArcGIS Enterprise Creators
2 ArcGIS Insights in ArcGIS Enterprise
2 ArcGIS Insights in ArcGIS Online
5 ArcGIS Tracker for ArcGIS Enterprise
5 ArcGIS Tracker for ArcGIS Online
2 ArcGIS Parcel Fabric User Type Extensions (Enterprise)
2 ArcGIS Utility Network User Type Extensions (Enterprise)

OTHER BENEFITS

Number of Esri User Conference registrations provided annually	2
Number of Tier 1 Help Desk individuals authorized to call Esri	2
Maximum number of sets of backup media, if requested*	2
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement	

*Additional sets of backup media may be purchased for a fee

Customer may accept this Agreement by signing and returning the whole Agreement with (i) the Quotation attached, (ii) a purchase order, or (iii) another document that matches the Quotation and references this Agreement ("**Ordering Document**"). **ADDITIONAL OR CONFLICTING TERMS IN CUSTOMER'S PURCHASE ORDER OR OTHER DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** This Agreement is effective as of the date of Esri's receipt of an Ordering Document, unless otherwise agreed to by the parties ("**Effective Date**").

Term of Agreement: Two (2) years, January 16, 2022 - January 15, 2024

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

City of Tukwila
(Customer)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

CUSTOMER CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the Master Agreement, the following definitions apply to this Agreement:

"Case" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Customer's organization(s).

"Fee" means the fee set forth in the Quotation.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Customer during the Term of Agreement.

"Master Agreement" means the applicable master agreement for Esri Products incorporated by this reference that is (i) found at <https://www.esri.com/en-us/legal/terms/full-master-agreement> and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed Esri master agreement or license agreement that supersedes such electronically acknowledged master agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Customer.

"Technical Support" means the technical assistance for attempting resolution of a reported Case through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Customer's point of contact(s) to provide all Tier 1 Support within Customer's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Esri Technical Support provided to the Tier 1 Help Desk when a Case cannot be resolved through Tier 1 Support.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Customer a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the Term of Agreement (i) for the applicable Fee and (ii) in accordance with the Master Agreement.

2.2 Consultant Access. Esri grants Customer the right to permit Customer's consultants or contractors to use the Products exclusively for Customer's benefit. Customer will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Customer. Access to or use of Products by consultants or contractors not exclusively for Customer's benefit is prohibited. Customer may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor servers for the benefit of Customer.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. This Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified in the Term of Agreement, unless this Agreement is terminated earlier as provided herein. Customer is only authorized to use Products during the Term of Agreement. For an Agreement with a limited term, Esri does not grant Customer an indefinite or a perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses, all Maintenance, and Esri User Conference registrations terminate upon expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will have thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-

owned entities, either party may terminate this Agreement before any subsequent year if Customer is unable to secure funding through the legislative or governing body's approval process.

3.5 Follow-on Term. If the parties enter into another agreement substantially similar to this Agreement for an additional term, the effective date of the follow-on agreement will be the day after the expiration date of this Agreement.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Customer. Customer may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Customer via written notice for incorporation into the Products schedule at no additional charge. Customer's use of new or updated Products requires Customer to adhere to applicable additional or revised terms and conditions in the Master Agreement.

4.2 Product Life Cycle. During the Term of Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <https://support.esri.com/en/other-resources/product-life-cycle>. Updates for Products in the mature and retired phases may not be available. Customer may continue to use Products already Deployed, but Customer will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits during the Term of Agreement as specified in the most current applicable Esri Maintenance and Support Program document (found at <https://www.esri.com/en-us/legal/terms/maintenance>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other

than the defined Products will receive Maintenance. Customer may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Customer will provide Tier 1 Support through the Tier 1 Help Desk to all Customer's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.
4. The Tier 1 Help Desk will be the initial point of contact for all questions and reporting of a Case. The Tier 1 Help Desk will obtain a full description of each reported Case and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Case.
5. If the Tier 1 Help Desk cannot resolve the Case, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Customer's organization.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Customer may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to

supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.

4. Tier 2 Support will attempt to resolve the Case submitted by Tier 1 Help Desk.
5. When the Case is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Customer's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Customer will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Customer will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration of this Agreement, Customer will provide Esri with a written report detailing all Deployments. Upon request, Customer will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Upon the Effective Date, Esri will invoice Customer and provide Authorization Codes to activate the nondestructive copy protection program that enables Customer to download,

operate, or allow access to the Products. If this is a multi-year Agreement, Esri may invoice the Fee up to thirty (30) calendar days before the annual anniversary date for each year.

- b. Undisputed invoices will be due and payable within thirty (30) calendar days from the date of invoice. Esri reserves the right to suspend Customer's access to and use of Products if Customer fails to pay any undisputed amount owed on or before its due date. Esri may charge Customer interest at a monthly rate equal to the lesser of one percent (1.0%) per month or the maximum rate permitted by applicable law on any overdue fees plus all expenses of collection for any overdue balance that remains unpaid ten (10) days after Esri has notified Customer of the past-due balance.

- c. Esri's federal ID number is 95-2775-732.

- d. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. Customer acknowledges that should sales or use taxes become due as a result of any shipments of tangible media, Esri has a right to invoice and Customer will pay any such sales or use tax associated with the receipt of tangible media.

8.2 Order Requirements. Esri does not require Customer to issue a purchase order. Customer may submit a purchase order in accordance with its own process requirements, provided that if Customer issues a purchase order, Customer will submit its initial purchase order on the Effective Date. If this is a multi-year Agreement, Customer will submit subsequent purchase orders to Esri at least thirty (30) calendar days before the annual anniversary date for each year.

- a. All orders pertaining to this Agreement will be processed through Customer's centralized point of contact.

- b. The following information will be included in each Ordering Document:

- (1) Customer name; Esri customer number, if known; and bill-to and ship-to addresses
- (2) Order number
- (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Customer is a commercial entity, Customer will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Customer with or into another corporation or entity; (ii) Customer's acquisition of another entity; or (iii) a transfer or sale of all or part of Customer's organization (subsections i, ii, and iii, collectively referred to as "**Ownership Change**"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1** If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2** If an Ownership Change results in transfer or sale of a portion of Customer's organization, that portion of Customer's organization will transfer the Products to Customer or uninstall, remove, and destroy all copies of the Products.
- 9.3** This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Customer will require any successor entity to uninstall, remove, and destroy the Products. This Agreement will terminate upon such Ownership Change.



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: November 2, 2021

SUBJECT: Contract with Pacifica Law Group for Bond Counsel Services

ISSUE

Staff is seeking approval for the Mayor to sign a 3-year contract with Pacifica Law Group for bond counsel services.

BACKGROUND

Bond counsel services are a necessary function of issuing new debt and refunding existing debt. In October 2016, after an RFP process, Pacifica Law Group was selected for bond counsel services. Since that time, Pacific has provided excellent services to the City on all debt related matters.

DISCUSSION

The current 1-year contract with Pacifica Law Group will expire at the end of 2021. Staff desires to enter into a new 3-year contract for a total amount not to exceed \$150 thousand. Costs are only incurred if the City issues new debt or refunds existing debt.

Bond counsel provides a number of services related to debt including assessing financing options and considers legal issues related to projects, drafts legislation and bond documents, provides legal review of tax issues, and assists with post issuance compliance, among other services outlined in Exhibit A of the contract.

RECOMMENDATION

The Council is being asked to authorize the Mayor to sign a 3-year contract with Pacifica Law Group and consider this item for the consent agenda at the November 15, 2021, Regular meeting.

ATTACHMENTS

3-year contract with Pacifica Law Group



City of Tukwila

6200 Southcenter Boulevard, Tukwila WA 98188

Contract Number:

CONTRACT FOR SERVICES

This Agreement is entered into by and between the City of Tukwila, Washington, a non-charter optional municipal code city hereinafter referred to as “the City,” and **Pacifica Law Group LLP**, hereinafter referred to as “the Contractor,” whose principal office is located at **1191 Second Avenue, Suite 2000, Seattle, WA 98101**. Stacey Lewis (bond partner), Alison Benge (bond partner, specializing in Federal tax law), and Deanna Gregory will be the main contacts for City bond matters. Deanna Gregory will have primary oversight for Pacifica Law Group’s representation of the City, but will assign other firm lawyers and paralegals when necessary, beneficial or cost-effective and when desirable to meet the time constraints of the matter. Ms. Gregory can be reached at her office at 206.245.1716 or any of the attorneys or other staff at Pacifica Law Group can be reached at 206.245.1700. Unless otherwise agreed in writing, the terms of this Agreement will also apply to any additional matters that the Contractor undertakes at the City’s request.

WHEREAS, the City has determined the need to have certain services performed for its citizens but does not have the manpower or expertise to perform such services; and

WHEREAS, the City desires to have the Contractor perform such services pursuant to certain terms and conditions; now, therefore,

IN CONSIDERATION OF the mutual benefits and conditions hereinafter contained, the parties hereto agree as follows:

- Scope and Schedule of Services to be Performed by Contractor.** The Contractor shall perform those services described on Exhibit A attached hereto and incorporated herein by this reference as fully set forth. In performing such services, the Contractor shall at all times comply with all Federal, State, and local statutes, rules and ordinances applicable to the performance of such services and the handling of any funds used in connection therewith. The Contractor shall request and obtain prior written approval from the City if the scope or schedule is to be modified in any way. The parties hereto acknowledge that in rendering such services to the City, the Contractor is regulated by ethical rules, including rules regarding conflicts of interest, as set forth in Exhibit B attached hereto and incorporated herein by this reference.
- Compensation and Method of Payment.** The City shall pay the Contractor for services rendered according to the rate and method set forth on Exhibit C attached hereto and incorporated herein by this reference. The total amount to be paid shall not exceed **\$150,000**.
- Contractor Budget.** The Contractor shall apply the funds received under this Agreement within the maximum limits set forth in this Agreement. The Contractor shall request prior approval from the City whenever the Contractor desires to amend its budget in any way.
- Duration of Agreement.** This Agreement shall be in full force and effect for a period commencing **January 1, 2022**, and ending **December 31, 2024**, unless sooner terminated under the provisions hereinafter specified.

5. **Independent Contractor.** Contractor and City agree that Contractor is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither Contractor nor any employee of Contractor shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to the Contractor, or any employee of the Contractor.
6. **Indemnification.** The Contractor shall defend, indemnify and hold the City, its officers, agents, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, to the extent caused by the negligent acts or omissions of the Contractor under this Agreement. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver, as respects the City only, of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.
7. **Insurance.** The Contractor shall procure and maintain in full force throughout the duration of this Agreement professional liability insurance with a minimum coverage of \$1,000,000 per claim and \$3,000,000 aggregate. Contractor shall provide evidence of such coverage in a manner and form acceptable to the City in the City's sole discretion. Cancellation of the required insurance shall automatically result in termination of this Agreement.
8. **Record Keeping and Reporting.**
 - A. The Contractor shall maintain accounts and records, including personnel, property, financial and programmatic records which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed in the performance of this Agreement and other such records as may be deemed necessary by the City to ensure the performance of this Agreement.
 - B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the office of the archivist in accordance with RCW Chapter 40.14 and by the City.
9. **Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review or audit by law during the performance of this Agreement.
10. **Termination.** This Agreement may at any time be terminated by the City giving to the Contractor thirty (30) days written notice of the City's intention to terminate the same. Failure to provide products on schedule may result in contract termination. If the Contractor's insurance coverage is canceled for any reason, the City shall have the right to terminate this Agreement immediately.
11. **Discrimination Prohibited.** The Consultant, with regard to the work performed by it under this Agreement, will not discriminate on the grounds of race, religion, creed, color, national origin, age, veteran status, sex, sexual orientation, gender identity, marital status, political affiliation or the presence of any disability in the selection and retention of employees or procurement of materials or supplies.

12. **Assignment and Subcontract.** The Contractor shall not assign or subcontract any portion of the services contemplated by this Agreement without the written consent of the City.
13. **Entire Agreement; Modification.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the City and the Contractor and supersedes all prior negotiations, representations, or agreements written or oral. No amendment or modification of this Agreement shall be of any force or effect unless it is in writing and signed by the parties.
14. **Severability and Survival.** If any term, condition or provision of this Agreement is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of this Agreement, which by their sense and context are reasonably intended to survive the completion, expiration or cancellation of this Agreement, shall survive termination of this Agreement.
15. **Notices.** Notices to the City of Tukwila shall be sent to the following address:
- City Clerk, City of Tukwila
6200 Southcenter Blvd.
Tukwila, Washington 98188
- Notices to the Contractor shall be sent to the address provided by the Contractor upon the signature line below.
16. **Applicable Law; Venue; Attorney's Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be properly laid in King County, Washington. The prevailing party in any such action shall be entitled to its attorney's fees and costs of suit.

DATED this _____ day of _____, 2021.

CITY OF TUKWILA

CONTRACTOR

Allan Ekberg, Mayor

By: _____

Printed Name and Title:

Deanna Gregory, Partner

ATTEST/AUTHENTICATED:

City Clerk, Christy O'Flaherty

Address: 1191 2nd Avenue, Suite 2000

Seattle, Washington 98101

APPROVED AS TO FORM:

Office of the City Attorney

EXHIBIT A

Scope of Services to be Performed by Contractor

As bond counsel, Pacifica Law Group (the “Law Firm”) shall provide all necessary legal services necessary to issue bond, notes and other evidences of indebtedness, including but not limited to:

- Draft and distribute election documents, if a voted bond issue
- Assist in the development or review of a distribution list and proposed schedule, flagging key notice, action and document deadlines
- Gather appropriate facts regarding the financing and the proposed project, generally through an in-person kick off or “scoping” meeting
- Conduct federal and state law analysis
- Assess financing options and work with underwriters and financial advisors to consider legal issues
- Review existing covenants and assess benefit of springing covenants
- Draft and distribute bond (and, if requested, disclosure) documents
- Revise, discuss, and explain documents
- Arrange and participate in conference calls and meetings with City staff and other members of the finance team, as necessary, to follow up on issues identified at the scoping meeting or to review document drafts
- Present documents to, and answer questions from, the City Council
- Complete appropriate tax due diligence analysis
- Work with the finance team to finalize disclosure documents in anticipation of marketing bonds
- Review the results of pricing and draft or comment on the bond purchase agreement
- Prepare closing certificates, prepare and print the notes or bonds, and deliver bond opinions
- Deliver hard copies or CDs of the final transcript to the finance team
- Coordinate with City staff on post-issuance compliance obligations (state, federal tax, and securities law) as necessary
- Work cooperatively with the City Attorney and other special legal counsel retained by the City for special projects involving the issuance of bonds, closing of bond transactions, tracking of bond proceeds and related issues

Exhibit B Conflict of Interest

As lawyers, the Contractor's representatives are regulated by ethical rules, including rules governing conflicts of interest, in the jurisdictions in which they practice. Based on the Contractor's review of their records, the Contractor's representation of the City on this initial matter does not create a conflict of interest for the Contractor or the City, however, the Contractor does serve as outside counsel and bond counsel to other municipalities and entities that interact and/or contract with the City (such as the Valley Communications Center, the Valley Communications Center Development Authority, the South Correctional Entity, the South Correctional Entity Facility Public Development Authority, King County, King County Regional Homelessness Authority, the Puget Sound Emergency Radio Network, the Housing Development Consortium (in connection with South King Housing and Homelessness Partners), and the Seattle Southside Regional Tourism Authority), and serves as underwriter's counsel from time to time to underwriting firms on matters unrelated to the City's bonds. Execution of this Agreement by the City's representative constitutes consent by the City to such representation. The Contractor agrees not to use any proprietary or other confidential nonpublic information concerning the City, acquired as a result of the Contractor's representation of the City, to the City's material disadvantage in connection with any litigation or other matter in which the Contractor is adverse to the City.

If the City learns about significant name changes of any of the entities or about additional adverse or potentially adverse parties, it will advise the Contractor so their records can be updated. The Contractor's representation of the City does not include acting as counsel for any entity in which the City holds equity or any subsidiary, affiliate, equityholder, employee, family member or other person unless such additional representation is separately and clearly undertaken by the Contractor.

During the Contractor's representation of the City, there may from time to time be issues that raise questions as to the Contractor's duties under the rules of professional conduct that apply to lawyers. These might include, e.g., conflict of interest issues, and could even include issues raised because of a dispute between the Contractor and the City over the handling of a matter. Under normal circumstances when such issues arise the Contractor would seek the advice of their non-bond related counsel such as Professional Standards Counsel, Loss Prevention partners or Professional Standards Conflicts Attorneys who are experts in such matters. Historically, the Contractor has considered such consultations to be attorney-client privileged conversations between firm personnel and the counsel for the firm. In recent years, however, there have been judicial decisions indicating that under some circumstances such conversations involve a conflict of interest between the City and the Contractor and that consultation with the Contractor's non-bond related counsel may not be privileged, unless the Contractor either withdraws from the representation of the City or obtain the City's consent to consult with the Contractor's non-bond related counsel.

It is in the Contractor's and the City's interest, that in the event legal ethics or related issues arise during a representation, the Contractor receives expert analysis of their obligations. Accordingly, as part of this agreement concerning the Contractor's representation of the City, the City agrees that if the Contractor determines by their own discretion during the course of the representation that it is either necessary or appropriate to consult with the Contractor's non-bond related counsel (either Pacifica Law Group's internal counsel or, if determined necessary by the Contractor, outside counsel) the City consents to this and agrees that the Contractor's representation of the City shall not, thereby, waive any attorney-client privilege that the Contractor may have to protect the confidentiality of the City's and Contractor's communications with counsel. Any such consultation will be paid for by the Contractor, and not the City.

EXHIBIT C

Compensation and Method of Payment

FEE SCHEDULE

Services at Time of Issuance

Issue Size	General Obligation	Revenue	Local Improvement District
\$1,000,000 or Less	\$14,000	\$16,000	\$16,000
\$1,000,001-\$5,000,000	\$18,000	\$20,000	\$20,000
\$5,000,001-\$10,000,000	\$22,000	\$24,000	\$24,000
\$10,000,001-\$15,000,000	\$27,000	\$29,000	\$29,000
\$15,000,001-\$20,000,000	\$32,000	\$34,000	\$34,000
\$20,000,001 and Above	\$36,000	\$38,000	\$38,000

Fees are calculated based on the principal amount of the bonds, plus premium if the bonds are sold with net premium.

Fees may be adjusted (up or down) for special projects to reflect unique transactions (such as 63-20 transactions or WIFIA loans) or to take advantage of economies of scale (such as multiple series of the same issue and credit being issued at the same time), with the prior consent of the City Finance Director.

All bond counsel fees, costs and expenses are included in the fee matrix above. Bond counsel fees include all of the Contractor's work related to the bond issue (including but not limited to document preparation, state and federal tax law analysis, attending finance team and City Council meetings, expenses, costs, delivering the final opinion, answering questions during and between bond issues, and providing other services as outlined in the Scope of Services), unless another fee arrangement is agreed to by the City. The fee matrix may be adjusted, not more frequently than annually, with prior City approval.

In the event the bonds are not issued, no fee will be charged. Depending on the complexity of the matter, bond counsel fees are likely to be lower if the bond issue is privately placed, such as with a bank. For bank loans, we typically charge a percentage of the regular fee schedule (such as 85%), depending on the facts and circumstances and the legal contract and related negotiations with the bank. For refunding issues, we typically charge 115% of the regular fee schedule.

SUPPLEMENTAL FEE SCHEDULE

Supplemental Fee Schedule: Service	Amount: Fixed Fee or Hourly Rate												
Specialized Services – Bond Issuances:													
<ul style="list-style-type: none"> • Rating presentation 	Included in fee matrix below (no additional charge)												
<ul style="list-style-type: none"> • General public finance advice, recommendations not related to a 	Included in fee matrix below (no additional charge)												
<ul style="list-style-type: none"> • Other services if on a different basis 	All bond counsel fees are included in fee matrix below. We propose an additional fee of \$15,000 per bond issue to serve as Disclosure Counsel (prepare the preliminary and final official statements and deliver a 10b-5 opinion) at the City’s request.												
Services at time of issuance	See fee matrix below												
Overhead (copying, faxes, etc.) and travel	Included in fee matrix below (no additional charge)												
Other fees	<p>We propose to charge a discounted hourly rate for all Pacifica attorneys performing work for the City that cannot be allocated to our role as bond counsel (and therefore be absorbed in the fee matrix below), subject to annual adjustments, and at the request of the City. Our 2021 public sector rates are below. Hourly rates are subject to annual adjustment.</p> <table align="right"> <tr> <td></td> <td><u>2021</u></td> </tr> <tr> <td>Stacey Lewis</td> <td>\$430</td> </tr> <tr> <td>Deanna Gregory</td> <td>\$380</td> </tr> <tr> <td>Toby Tobler</td> <td>\$240</td> </tr> <tr> <td>Alison Bengel</td> <td>\$460</td> </tr> <tr> <td>Kristin Patterson</td> <td>\$170</td> </tr> </table>		<u>2021</u>	Stacey Lewis	\$430	Deanna Gregory	\$380	Toby Tobler	\$240	Alison Bengel	\$460	Kristin Patterson	\$170
	<u>2021</u>												
Stacey Lewis	\$430												
Deanna Gregory	\$380												
Toby Tobler	\$240												
Alison Bengel	\$460												
Kristin Patterson	\$170												

For special projects and with prior approval from the City, the Contractor would provide services on an hourly basis. The proposed hourly rates are listed above. These rates reflect the discount off standard rates customarily offered by the Contractor to public and not-for-profit clients. Billing rates may be adjusted not more frequently than annually, usually on January 1. Services performed after the effective date of the new rates will be charged at the new applicable rates. The Contractor does not charge for costs incurred internally (photocopying, long distance telephone charges, electronic legal research services and the like). However, to the extent the Contractor incurs costs from outside vendors directly related to City work, these costs will be passed through to the City without mark-up. The Contractor issues invoices for hourly fees and disbursements on a monthly basis.



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: November 2, 2021

SUBJECT: Update Investment Policy and Method for Future Updates to Policy

ISSUE

It is best practice to review policies on a regular basis and update them as needed. There is also a desire to update this policy with the same process as other financial policies are updated, via resolution. In order to adopt this policy via resolution, Tukwila Municipal Code Chapter 3.28 will need to be rescinded.

BACKGROUND

The last update to the investment policy was approved by the Finance and Safety Committee on November 16, 2010. The policy is well-written, and the underlying policy is sound based on core investment objectives already outlined in the policy. The current policy's objectives include the following:

- Safety of the principal. Investments are undertaken in a matter that will preserve capital in the overall portfolio.
- Investment portfolio must remain sufficiently liquid to meet all operating requirements that can be reasonably anticipated.
- The portfolio must be designed to attain a market rate of return throughout budgetary and economic cycles.
- Regular reporting to the Council Committee that has oversight of financial matters. Currently, a quarterly report is presented to the Finance & Governance committee.

The policy requires only a few minor adjustments that are outlined below.

DISCUSSION

As mentioned above, it is a best practice to review and update financial policies on a regular basis. After reviewing this policy, only minor changes are required and are summarized below.

- Section 2.0: Change the reference to the City's annual financial statements from Comprehensive Annual Financial Report (CAFR) to Annual Comprehensive Financial Report (ACFR)
Section 5.0: Removed the reference to the specific RCW and reference applicable State law. This particular RCW is no longer valid but still requires the City to follow any applicable law related to investing activities.

- Section 7.2.1: Add the requirement to be currently registered in the State in addition to maintaining on office in the State.
- Section 7.2.4: Added requirement for proof of National Association of Securities Dealers certification.
- Section 10.3: Added the ability to invest 100% of the City's portfolio in U.S. Treasury securities as an option.
- Section 10.5, Section 11.5, and Section 14.0: Changed reference to Finance & Safety Committee to the Council Committee that has oversight of financial matters. This eliminates the need to update the policy when the name of the committee changes.
- Section 11.5: Updated the language to reflect when and how variances to the policy are communicated to the Committee.
- 12.2 Updated language for clarification.
- 13.0 Updated language for clarification.
- Section 15.0: Removed this section as the RCW reference is invalid.
- Added in a Glossary. This had been included in the original policy but was eliminated when the policy was updated in 2010.

In addition to the above changes to the policy, staff is also requesting that this policy be adopted via resolution rather than the current method of Committee approval. Adopting, and updating, this policy via resolution will align with current practice of adopting and updating other financial policies.

Staff is also asking to rescind section 3.28 of the Tukwila Municipal Code, which allows this policy to be amended with approval from the Council Committee that has oversight of the City's financial matters.

RECOMMENDATION

The Council is being asked to approve this ordinance and resolution and consider this item at the November 22, 2021, Committee of the Whole meeting and subsequent December 6, 2021, Regular meeting.

ATTACHMENTS

Draft Ordinance
Draft Resolution
Draft Investment Policy
Tukwila Municipal Code Chapter 3.28

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, REPEALING ORDINANCE NO. 1916 RELATING TO THE CITY'S INVESTMENT POLICY, THEREBY ELIMINATING TUKWILA MUNICIPAL CODE CHAPTER 3.28; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Ordinance No. 1916 set forth the process for adopting and incorporating an investment policy for the City; and

WHEREAS, Ordinance No. 1916 states that amendments to the policy require approval of the City Council Finance & Safety Committee; and

WHEREAS, this amendment process is in conflict with the current and usual practice of the City Council to set fiscal policies as the entire Council, rather than as any individual three-member Council Committee; and

WHEREAS, in order to conform with its usual practice for amendment of fiscal policies, the City Council desires to repeal Ordinance No. 1916 and continue to set fiscal policy as a whole Council via a resolution or other designated means;

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

Section 1. Repealer. Ordinance No. 1916 is hereby repealed in its entirety, thereby eliminating Tukwila Municipal Code Chapter 3.28.

Section 2. 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 3. 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 4. 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 January 1, 2022.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2021.

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

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING AN INVESTMENT POLICY.

WHEREAS, the City Council is committed to the highest standard of financial management; and

WHEREAS, the investment of public funds must comply with all applicable state and local requirements; and

WHEREAS, a comprehensive investment policy ensures that public funds are invested in a manner that will provide maximum security with the highest investment return while meeting daily cash flow demands;

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

Section 1. The Investment Policy attached hereto as Exhibit A is adopted.

Section 2. City Administrative Policy No. 3-17, "Investment Policy," is superceded.

Section 3. The Investment Policy shall be reviewed on at least a biennial basis and updated as necessary.

Section 4. Effective Date. This resolution shall be effective as of January 1, 2022.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at
a Regular Meeting thereof this _____ day of _____, 2021.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Kate Kruller, Council President

APPROVED AS TO FORM BY:

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

Office of the City Attorney

Attachment: Exhibit A – Investment Policy adopted



City of Tukwila, Washington

INVESTMENT POLICY

Adopted by the Tukwila City Council

Resolution No. _____, November _____, 2021

1.0 Policy

It is the policy of the City of Tukwila to invest public funds in a manner that will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City, while conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This policy applies to the investment of all public funds in the custody of the Finance Director. Funds covered by this policy include all City funds created by the Tukwila City Council, and are accounted for in the City's ~~Comprehensive~~ Annual Comprehensive Financial Report (~~CAFR~~ ACFR).

2.1 Fund Types:

- General/Current Expense Funds
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust Funds
- Agency Funds

2.2 Funds relating to debt service will be invested in accordance with appropriate bond documents.

3.0 Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Objectives

The primary objectives, in priority order, of the City's investment activities shall be:

Safety: Safety of the principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements that might be reasonably anticipated.

Yield: The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. (See 13.0.)

5.0 Delegation of Authority

~~Authority to manage the City's Management responsibility of the investment program is derived from Ordinance 1916, adopted by the Tukwila City Council on May 15, 2000 vested in the City of Tukwila Financial Director under the ~~express authority granted in RCW 39.29.020~~ authority of applicable State law.~~

- 5.1 The ~~City~~ Finance Director may appoint an Investment Officer whose responsibilities will include initiating daily transactions in the investment portfolio based on liquidity and cash flow requirements of the City.
- 5.2 Investments relating to bond proceeds shall be made consistent with 4.0, "Objectives."
- 5.3 Written procedures shall be established for the operation of the investment program consistent with this investment policy.

6.0 Ethics and Conflict of Interest

- 6.1 Officers and employees involved in the investment process recognize that the investment portfolio is subject to public review and evaluation. The overall program will be designed and managed with a degree of professionalism that is worthy of the public trust.
- 6.2 Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regards to the timing of purchases and sales.

7.0 Authorized Financial Dealers and Institutions

- 7.1 Pursuant to state statutes (RCW 39.58), the deposit of public funds and the placement of "investment deposits" (i.e. time deposits, money market deposit accounts and savings deposits of public funds), will be placed only with institutions approved by the Washington Public Deposit Protection Commission (PDPC) as eligible for deposit of public funds. The maximum amount placed with any one depository will not exceed the net worth of the institution as determined by the PDPC

7.2 In addition, the Finance Director will maintain a list of approved broker/dealers that are authorized to provide investment services to the City.

7.2.1 Authorized broker/dealers must maintain an office [and be currently registered](#) in the State of Washington.

7.2.2 Authorized broker/dealers will be limited to primary dealers or other dealers that qualify under SEC Rule 15C3-1, the Uniform Net Capital Rule.

7.2.3 All approved firms and the individuals that represent them are required to read this policy and certify that they understand and will comply with the City's investment objectives and constraints.

7.2.4 Broker/dealers that have been selected to provide investment services to the City are required to submit an audited financial statement annually to the Finance Director, [if requested and proof of National Association of Securities Dealers certification](#).

8.0 Authorized Investments

State statutes and this investment policy limit the types of securities authorized for investment by the City. The principal governing statutes are RCW 39.59 and RCW 39.60. The Finance Director may further restrict eligible investments by this policy at his/her discretion. Authorized investments include (but are not limited to):

8.1 U.S. Treasury Securities.

8.2 U.S. Agency Securities (i.e. obligations of any government-sponsored corporation eligible for collateral purposes at the Federal Reserve).

8.3 Certificates of Deposit, Money Market Deposit Accounts and savings deposits with qualified depositories within statutory limits as promulgated by the PDPC at the time of investment.

8.4 Bankers Acceptances (BA's) purchased on the secondary market with a rating of A-1, P-1, its equivalent or better.

8.5 General Obligation Bonds of a state or local government which have at the time of the investment one of the three highest credit ratings of a nationally recognized rating agency.

8.6 The Washington State Local Government Investment Pool (LGIP).

9.0 Safekeeping and Custody

9.1 Securities purchased by the Finance Director are to be held in a custodial account in the safekeeping or trust department of a bank acting as third-party custodian for the City of Tukwila.

9.2 All security transactions conducted by the custodian on behalf of the City of Tukwila are to be on a delivery-versus-payment (DVP) basis.

- 9.3** Certificates of Deposit, transaction receipts for Money Market Deposit Accounts or savings deposit accounts will be held by the Finance Director.

10.0 Diversification

The City of Tukwila will diversify its investments by security type and institution.

- 10.1** No more than 50% of the City's portfolio, at the time of purchase, shall be in any single financial institution.
- 10.2** Except, that no more than 75% of the City's portfolio, at the time of purchase, shall be invested in the Washington Local Government Investment Pool.
- 10.3** Investment of 100% of the City's portfolio in U.S. Treasury securities shall be allowed; this is a risk-free investment and, in the event of unforeseen circumstances, the City shall have the ability to invest the entire portfolio in a risk free investment.
- ~~10.3-10.4~~ **10.4** No more than 75% of the City's portfolio, at the time of purchase, shall be invested in U.S. Treasury or Agency securities.
- ~~10.4-10.5~~ **10.5** The City's ~~Finance & Safety Committee~~ Council Committee that has oversight of financial matters for the City can authorize a variance to 10.1, 10.2 or ~~10.3-10.4~~ prior to purchase, if it is deemed in the best overall benefit to the City.

11.0 Maturities

To the extent possible, and to preclude the sale of securities that could result in a loss, investments will be made to coincide with anticipated cash flow requirements.

- 11.1** At the time of investment, a minimum of 30% of the portfolio will be comprised of investments maturing or available within one year.
- 11.2** At the time of investment, 80% of the portfolio will be comprised of investments maturing or available within 5 years and no instruments shall have a maturity exceeding 10 years, except when compatible with a specific fund's investment needs.
- 11.3** To provide for ongoing market opportunity, investment maturities should be laddered or staggered to avoid the risk resulting from over-concentration of portfolio assets in a specific maturity.
- 11.4** The average maturity of the portfolio shall not exceed 3-1/2 years or 42 months.
- 11.5** Any variance to 11.1, 11.2, 11.3 or 11.4 ~~can be approved by the Finance & Safety Committee prior to occurrence, and if deemed in the City's best interest~~ must be communicated to the Council Committee that has oversight of financial matters for the City as soon as practical. Variances to these sections will only occur if it is in the best interest of the City's financial position and adequate liquidity is maintained to meet ongoing expenditure obligations.

12.0 Internal Controls

The Finance Director shall establish ~~a system of internal controls, which are subject to review by the State Auditor~~ an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. Such reviews may result in recommendations to change operation procedures to improve internal controls. Controls shall be designed to protect against loss of public funds due to fraud, error, misrepresentation, or imprudent actions.

13.0 Performance Standards / Benchmarks

The investment portfolio will be designed to obtain an average rate of return during budgetary and economic cycles which meets or exceeds the average ~~six-month two-year~~ Treasury ~~bill note~~ rates for the corresponding time period computed without regard to funds set aside for operating liquidity requirements or specific purposes. This performance standard shall take into account the City's investment risk constraints and cash flow needs.

14.0 Reporting

The Finance Director will submit a quarterly report to the City's ~~Finance & Safety Committee~~ Council Committee that has oversight of financial matters for the City that summarizes the current portfolio position and performance. These reports shall provide an accurate and meaningful representation of the investment portfolio, its performance versus the established benchmark, and proof of compliance with the investment policy.

15.0 Investment Policy Adoption

~~Adoption of this policy is made pursuant to the provisions of RCW 36.48.070.~~

~~Adopted by the Finance and Safety Committee of the City Council of the City of Tukwila by ordinance 1916, May 15, 2000, as updated November 2, 2010.~~

Glossary

Accrued Interest - The interest accumulated on a bond since issue date or the last coupon payment. The buyer of the bond pays the market price and accrued interest, which is payable to the seller.

Agency - A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each agency with a market perception that there is an implicit government guarantee. (See also "Federal Agency Securities" and "Government Securities".)

Average Maturity - A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

Bank Wire - An electronic transfer of funds between two financial institutions.

Bankers Acceptances (BAs) - Bankers Acceptances generally are created on a letter of credit issued in a trade transaction, either foreign or domestic. BAs are short-term, non-interest bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.

Basis Point - A measure of interest rate, i.e., 1/100 of 1 percent, or .0001.

Bid - The indicated price at which a buyer is willing to purchase a security or commodity. When selling a security, a bid is obtained. (See "Offer".)

Bond - A long-term debt security, or IOU, issued by a government or corporation that generally pays a stated rate of interest and returns the face value on the maturity date.

Book Entry Securities - U.S. government and federal agency securities that do not exist in definitive (paper) form; they exist only in computerized files maintained at the Federal Reserve Bank.

Book Value - The amount at which an asset is carried on the books of the owner. The book value of an asset does not necessarily have a significant relationship to market value.

Certificates of Deposit - A deposit of funds, in a bank or savings and loan association, for a specified term that earns interest at a specified rate or rate formula.

Credit Risk - The risk that a debtor will fail to make timely payments of principal or interest when due.

CUSIP Number - A nine-digit alpha/numeric combination established by the Committee on Uniform Securities Identification Procedures that is used to identify publicly traded securities. Each publicly traded security receives a unique CUSIP number when the security is issued.

Custodian - A independent third party (usually a bank or trust company) that holds securities in safekeeping for a client.

Delivery - The providing of a security in an acceptable form to the City or to an agent acting on behalf of the City and independent of the seller. The important distinction is that the transfer accomplishes absolute ownership control by the City.

Delivery vs. Payment (DVP) - The simultaneous exchange of securities and cash. The safest method of settling either the purchase or sale of a security. In a DVP settlement, the funds are wired from the purchaser's account and the security is delivered from the seller's account in simultaneous, interdependent wires.

Depository Bank - A local bank used as the point of deposit for cash receipts.

Discount - The amount by which the price of a security is less than its par value.

Diversification - Dividing available funds among a variety of securities and institutions so as to minimize market risk.

Face Value - The value stated on the "face" of a bond; thus the redemption value at maturity. In debt securities the term is interchangeable with "par".

Federal Agency Securities - Securities issued by a government-sponsored agency. These agencies were created by Congress to undertake various types of financing without tapping the public treasury. In order to do so, Congress gave these agencies the power to borrow money by issuing securities. These securities are backed by the issuing agency and are not direct government obligations, however, there is a market perception that there is an implicit government guarantee. These agencies include the Federal National Mortgage Association (FnMA), the Federal Home Loan Bank System (FHLB), and the Federal Farm Credit System (FFCB).

Federal Funds - Short-term investments/borrowings between banks. Despite its name, these transactions are not loans to or from the federal government. Nor do they include any guarantee or backing from the federal government. They are called "federal funds" because the parties exchange the funds by transferring balances from the lender's account with its Federal Reserve District Bank to the borrower's account with its Federal Reserve District Bank.

Federal Funds Rate - The rate at which banks borrow from one another, generally, as an overnight loan.

Federal Reserve System - The central bank of the United States which has regulated credit in the economy since its inception in 1913. It includes the Federal Reserve Bank, 14 district banks and member banks of the Federal Reserve, and is governed by the Federal Reserve Board.

Government Securities - Any debt obligation issued by the U.S. government, its agencies or instrumentalities. Certain securities, such as Treasury bonds and Government National Mortgage Association Notes (GNMA or Ginnie Maes), are backed by the U.S. Government as to principal and interest payments. Other securities, such as those issued by the Federal Home Loan Mortgage Corporation, or Freddie Mac, are backed by the issuing agency.

Liquidity - Refers to the ease and speed with which an asset can be converted into cash without a substantial loss in value.

Loss - The excess of the cost or book value of an asset over its selling price.

Local Government Investment Pool (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Mark-to-Market - An adjustment in the valuation of a securities portfolio to reflect the current market values of the respective securities in the portfolio. This process is also used to ensure that margin accounts are in compliance with maintenance.

Market Value - The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement - An agreement between the investor and the dealer or financial institution. This agreement defines the nature of the transactions, identifies the relationship between the parties, establishes normal practices regarding ownership and custody of the collateral securities during the term of the investment, provides for remedies in the event of a default by either party and otherwise clarifies issues of ownership.

Maturity - The date upon which the principal or stated value of an investment becomes due.

Offer - The indicated price at which a seller is willing to sell a security or commodity. When buying a security, an offer is obtained. (See "Bid".)

Par Value - The nominal or face value of a debt security; that is, the value at maturity.

Portfolio – Portfolio consists of short- and long-term investments including: LGIP, money market accounts, certificates of deposits, and bonds.

Premium - The amount by which a bond sells above its par value.

Prime Rate - The interest rate a bank charges on loans to its most creditworthy customers. Frequently cited as a standard for general interest rate levels in the economy.

Principal - An amount upon which interest is charged or earned.

Qualified Public Depository - A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state; which has segregated, for the benefit of the commission, eligible collateral having a value of not less than its maximum liability; and which has been approved by the Public Deposit Protection Commission to hold public deposits.

Repurchase Agreement (REPO) - A form of secured, short-term borrowing in which a security is sold with a simultaneous agreement to buy it back from the purchaser at a future date. Every transaction where a security is sold under an agreement to be repurchased is a repo from the seller/borrower's point of view and a reverse repurchase agreement from the buyer/lender's point of view.

Safekeeping - A service to customers rendered by banks for a fee whereby all securities and valuables of all types and descriptions are held in the bank's vault for protection; or, in the case of book entry securities, are held and recorded in the customer's name and are inaccessible to anyone else.

Securities - Bonds, notes, mortgages or other forms of negotiable or non-negotiable instruments.

Settlement Date - The day on which the payment and the security actually change hands. (See "Trade Date".)

Spread - The difference between two prices or two rates. Bankers have many different and highly specific usages of this term. For example, traders use spread to mean the difference between bid and asked prices for a security. Underwriters use spread to mean the difference between the price realized by the issuer and the price paid by the investor. Bank analysts use spread to mean the difference between the average rate paid on a bank's assets and the average rate paid on the bank's liabilities. In asset liability management, spread most often refers to the difference between two rates or yields.

Step-Ups - A form of callable security for which the coupon rate increases if the security is not called.

Strips - Principal and interest cash flows due from any interest-bearing security can be separated into different financial instruments. This is done by a process called "stripping." Each coupon payment is separated from the underlying investment to create a separate security. For example, a five-year note can be separated into 11 pieces: 10 semiannual coupon payments and the final principal payment. Each of those 11 pieces is a separate cash flow that can be purchased or sold just like a Treasury Bill. The cash flows are sold at a discount. The amount of the discount and the time until the cash flow is paid determine the investor's return.

Trade Date - The day on which a buyer and seller agree upon a transaction.

Third Party Safekeeping - A custodian for the investor holds securities in safekeeping. Under this arrangement, the dealer or bank investment department has no access to the securities being held.

Time Deposit - Interest-bearing deposit at a savings institution that has a specific maturity.

Treasury Bills - Short-term obligations issued by the U.S. Treasury. Bills are issued for maturities of one year or less. They do not pay interest but instead are issued on a discount basis.

Treasury Bonds - Long-term obligations issued by the U.S. Treasury. Bonds are issued for initial maturities greater than 10 years.

Treasury Notes (T-Notes) - Medium term obligations issued by the U.S. Treasury. Notes are issued in maturities for more than one to ten years.

Yield - Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, and the income that can be earned from the reinvestment of income received prior to maturity, call, or sale. While various formulas are used to express yields in different variations, the underlying calculation is made by dividing the amount realized by the cost of the security and annualizing the result.

Yield Curve - A graph (x-axis= time; y-axis= rate) showing the relationship at a single point in time between the available maturities of a security or similar securities with essentially identical credit risk and the yields that can be earned for each of those available maturities.

Yield Curve Slope - A yield curve that depicts the customary situation where long-term rates are higher than short-term rates is called an upward sloping or positive yield curve. A yield curve depicting the less common occurrence where short-term rates are higher than long-term rates is called a downwardly sloping or inverted yield curve. Yield curves also describe the amount of difference between short-term and long-term rates. When long-term rates are much higher than short-term rates, the yield curve is said to be steep. When long-term rates are virtually identical to short-term rates, the yield curve is said to be flat.

Zero Coupon Bond - A type of debt security that does not pay periodic interest. Zero coupon securities are bought and sold at prices that are less than the par values of the securities. The discount, or difference between the principal paid to purchase the security and the principal returned at maturity, constitutes the investor's return.

CHAPTER 3.28
INVESTING CITY FUNDS

Sections:

- 3.28.010 Adoption of Investment Policy
- 3.28.020 Maintaining and Changing Policy

3.28.010 Adoption of Investment Policy

City Administrative Policy No. 3-17, "Investment Policy", is hereby adopted and incorporated into this chapter by reference as if fully set forth herein.

(Ord. 1916 §1, 2000)

3.28.020 Maintaining and Changing Policy

The Finance Director is required to maintain the administrative investment policy. Changes to the policy require approval of the City Council Finance and Safety Committee.

(Ord. 1916 §2, 2000)

CHAPTER 3.30
BUDGET PROCESS

Sections:

- 3.30.010 Establishment of a Two-Year Fiscal Biennium Budget
- 3.30.020 Mid-Biennial Review

3.30.010 Establishment of a Two-Year Fiscal Biennium Budget

The City Council approved the establishment of a two-year biennium budget for the City of Tukwila, beginning January 1, 2009. The 2009-2010 Biennial Budget and all subsequent budgets are adopted under the provisions of RCW Chapter 35A.34.

(Ord. 2205 §1, 2009)

3.30.020 Mid-Biennial review

Pursuant to RCW Chapter 35A.34, the City Council shall provide for a mid-biennial review, and modification shall occur no sooner than eight months after the start, nor later than the conclusion of the first year of the biennium. The Mayor shall prepare a proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other City ordinances. Such proposal shall be submitted to the City Council and shall be a public record and be available to the public. A public hearing shall be advertised at least once and shall be held at a City Council meeting no later than the first Monday in December and may be considered from time to time. At such a hearing or thereafter, the Council may consider a proposed ordinance to carry out such modifications, which such ordinance shall be subject to other provisions of RCW Chapter 35A.34.

(Ord. 2205 §2, 2009)



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: November 2, 2021

SUBJECT: Identify process and prioritize projects that could utilize remaining balance of American Rescue Plan Act (ARPA) funds

ISSUE

Staff is seeking Committee input on the process to identify and prioritize projects that could utilize the remaining balance of uncommitted ARPA funds.

BACKGROUND

On March 10, 2021, a \$1.9 trillion relief package, known as the American Rescue Plan Act, was approved and provides funding in several areas including state and local aid, education, rental assistance, and transit. The City was allocated \$5.78 million and received the first half in June of 2021. The second half will be received in June of 2022. Funds must be spent or contractually committed by December 31, 2024.

The funds can be used in the following ways:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and non-profits, or to aid impacted industries such as tourism, travel, and hospitality.
- Provide premium pay to eligible workers that are performing essential work.
- Provision of government services to the extent of the reduction in revenue due to the pandemic relative to revenues collected in the most recent full fiscal year. Funds used under this category may only be used to restore services or projects that were reduced or eliminated due to revenue lost due to COVID. In other words, there must be a
- Make necessary investments in water, sewer, or broadband infrastructure.

The funds cannot be used to directly or indirectly offset tax reductions or delay a tax/tax increase. Nor can funds be deposited into any pension fund. Final guidance on approved uses of the funds is expected to be received in July of 2021.

On March 22, 2021, staff began a discussion with the Finance & Governance committee to seek input into a process for how to prioritize service level restoration if and when ongoing revenues exceed revenues adopted in the 2021-2022 biennial budget as well as restored revenues from sales tax mitigation payments. Included in the info memo was a section discussing federal funding through the American Rescue Plan Act.

Since mid-June, the Finance & Governance Committee conducted detailed analysis of this information over the course of multiple meetings, asking questions and requesting additional presentations on programs including business assistance, rent/utility assistance, afterschool programming, SCORE, Neighborhood Traffic Calming, and Community Connectors. Following the September 13, 2021, discussion the Committee agreed to forward the proposal to the Committee of the Whole for full Council discussion.

The table below shows the Council Direction from the October 18, 2021, regular meeting on the use of these funds. These have been incorporated into the 2021-2022 Budget Amendment process which was discussed and unanimously approved by the Finance Committee on October 25, 2021 and will be before the Committee of the Whole on November 8, 2021 with final action proposed for the November 15, 2021 Regular Meeting.

	2021	2022	Total	ARPA Funding Category
1 Parks Staff	80,000	160,000	240,000	Revenue Loss, Government Services
2 Street Staff	167,500	335,000	502,500	Revenue Loss, Government Services
3 DCD Staff	125,000	300,000	425,000	Revenue Loss, Government Services
4 Rec Program (Summer Camp)	50,000	100,000	150,000	Revenue Loss, Government Services
5 DarkTrace - Cyber Security	25,000	25,000	50,000	Revenue Loss, Government Services
6 After School Program	84,000	170,000	254,000	Revenue Loss, Government Services
7 Business Assistance	15,000	185,000	200,000	Public Health and Negative Economic Impacts
8 Utility/Rental Assistance	-	500,000	500,000	Assistance to businesses, households
9 Traffic Calming	100,000	400,000	500,000	Revenue Loss, Government Services
10 Upgrade Council Chambers	18,000	200,000	218,000	Public Health and negative Economic Impacts
11 SCORE	-	-	-	Revenue Loss, Government Services
12 Fire Minimum Staffing	225,000	300,000	525,000	Revenue Loss, Government Services
13 Community Connectors	-	25,000	25,000	Revenue Loss, Government Services
14 ARPA Financial Analyst		160,000	160,000	Public Health and Negative Economic Impacts
15 SeeClickFix	15,000	-	15,000	Revenue Loss, Government Services
Total	904,500	2,860,000	3,764,500	

Remaining Funds

At the October 18, 2021, regular meeting, Council was also asked to provide input into potential programs that could utilize the remaining ARPA funds. Proposed projects and services mentioned by individual Councilmembers for future consideration included the following, in no particular order:

1. Synthetic turf soccer fields,
2. Green Tukwila,
3. Premium pay for essential workers,
4. Public health,
5. Staffing needs to address certain issues,
6. Traffic calming,
7. Human services and community assistance, and
8. Adding additional funding to projects already included in the ARPA plan.

There were additional discussions on what process the Council should use to allocate this 2nd round of ARPA funds of \$2 million and also whether these proposed projects meet the ARPA funding guidelines.

Second Round ARPA Process Discussion

The Council will need to determine the process to allocate the remaining \$2 million of ARPA funds. These will need to be committed before December 31, 2024. A suggested process could be as follows:

- 4th Quarter 2021 – Confirm process for allocation of remaining funds and identify major projects
- 1st Quarter 2022 – Conduct community outreach/survey and clarify specific projects
- 2nd Quarter 2022 – Finalize projects for allocation
- 3rd Quarter 2022 – Allocate funds via budget amendment if the funds would be spent in 2022 or include the projects in the 2023-2024 Budget
- 4th Quarter 2022 – Finalize Allocation via a budget amendment or as part of 2023-2024 budget adoption process

A key goal of ARPA funding is to meet the needs of the communities impacted by COVID. A key process outlined in the federal process is to involve the community in these decisions. This second round would be an opportunity for the City to engage the community on their priorities for possible use of this funding.

ARPA Funding Criteria

As asked by the Council and as identified in the suggested process above, each major project will need to be fully evaluated to see if it meets the ARPA funding criteria. As seen in our first round process, there may be projects identified that appear to meet APRA requirements but, once fully scoped, do not meet these criteria. Additional information will be needed to better understand each project to determine if the final proposal meets the ARPA funding criteria. Below is the first preliminary estimate on answering these questions, with specific notes. All proposed projects will be reviewed by legal to ensure compliance with ARPA rules.

Project	ARPA Eligible	Notes
1. Synthetic turf soccer fields,	Possible, if to specifically support a community impacted due to COVID. A new field is more likely to meet the eligibility requirements than upgrading an existing field.	Capital investments have to meet strict criteria. Federal guidelines provide clear direction for water, sewer and broadband, but will need more clarity on this proposal.
2. Green Tukwila	Most likely, this is not eligible. Would need to demonstrate how this was impacted by COVID and/or how increases in services would mitigate a COVID impact.	This program was not reduced during COVID, so would not qualify in the revenue reduction category.
3. Premium pay for essential workers	Possible, would need to be bargained with labor unions.	Capped at \$13 an hour with a lifetime maximum of

		\$25k per eligible employee.
4. Public health	Yes	Assuming that this would be for grants or partnerships with other agencies who provide direct assistance
5. Staffing needs to address certain issues, e.g., Tenant Assistance, Permit Counter,	Possible, if staff needs were impacted by COVID <ul style="list-style-type: none"> - Grants for tenant assistance would be allowed, - permit counter has already been increased in 1st round, - preschool was not reduced due to COVID 	
6. Traffic calming	Yes This has already been identified as ARPA eligible since it was eliminated due to COVID	Revenue Loss, Government Services
7. Human services and community assistance	Yes, if COVID impacted	
8. Adding additional funding to projects already included in the ARPA plan.	Yes All previous projects met ARPA requirements	Possible to extend years of support to 2023-2024.

RECOMMENDATION

The Council is being asked to provide input on the process to determine this second round of ARPA funding allocation. In addition, the Council is being asked to provide its input on the list of major projects that should be considered in this second round of funding.

This discussion is recommended to begin at the Finance Committee and then move to the Committee of the Whole for direction.