



City of Tukwila  
**Finance and Governance  
 Committee**

- ◆ De'Sean Quinn, Chair
- ◆ Kate Kruller
- ◆ Cynthia Delostrinos Johnson

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# AGENDA

**MONDAY, FEBRUARY 14, 2022 – 5:30 PM**

**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 118148336#**

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 For Technical Support during the meeting call: 1-206-433-7155.**

Item	Recommended Action	
<b>1. BUSINESS AGENDA</b>		
a. Contingent-based sales tax audit. <i>Tony Cullerton, Deputy Finance Director</i>	a. Discussion only.	<b>Pg.1</b>
b. 2021 General Fund preliminary results. <i>Vicky Carlsen, Finance Director</i>	b. Discussion only.	<b>Pg.3</b>
c. Technology and Infrastructure Services Department 2021 Annual Report. <i>Joel Bush, Chief Technology Officer</i>	b. Discussion only.	<b>Pg.7</b>
<b>2. MISCELLANEOUS</b>		

**Next Scheduled Meeting:** *February 28, 2022*



The City of Tukwila strives to accommodate individuals with disabilities.  
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## **INFORMATIONAL MEMORANDUM**

**TO: Finance & Governance Committee**

**FROM: Vicky Carlsen, Finance Director**

**BY: Tony Cullerton, Deputy Finance Director**

**CC: Mayor Ekberg**

**DATE: February 14, 2022**

**SUBJECT: Contingent Based Sales Tax Audit**

### **ISSUE**

Staff would like to share with the Finance & Governance Committee our intent to enter into a contingent agreement with Azavar Government Solutions for the purpose of identifying and collecting misdirected sales tax revenues due to the City of Tukwila but being allocated to other neighboring jurisdictions.

### **BACKGROUND**

The City of Tukwila receives sales tax revenues directly from the Department of Revenue (DOR), that has been collected by businesses and remitted to DOR. The City is interested in answering the question, is the City collecting all sales tax revenue that they are entitled to receive? Tukwila shares three zip codes with neighboring cities causing confusing of the correct jurisdiction to allocate tax revenues. Additionally, the City of Seattle's location code is 1726, Tukwila's location code is 1729. When businesses enter the City's location code, there have been instances of coding errors, resulting in Tukwila sales tax being diverted to the City of Seattle. These are examples of possible sales tax revenues due to Tukwila but are potentially being allocated to neighboring jurisdictions.

### **DISCUSSION**

Azavar Government Solutions assists municipalities with identifying and recovering unremitted tax revenue. By utilizing address information provided by the City, and business and tax id information supplied by DOR, Azavar applies geo-coding technology to identify gaps and trends in remittance. Example would be identifying businesses that are being coded incorrectly to other municipalities. Anomalies can occur when USPS postal codes are used, or annexations are not kept current. Their geo-coding technology is used to identify the correct jurisdiction a business should be collecting tax revenue for. This service is provided on a contingent basis allowing for no out of pocket expense to the City. The recovered revenue is shared by the City and Azavar for thirty-six months, after which the City retains all of the ongoing sales tax revenue. Azavar Government Solutions has previously provided their services to local municipalities including College Place, Newcastle, Issaquah, and Brier.

### **FINANCIAL IMPACT**

No out-of-pocket cost to the City. A specific percentage (40%) of new revenues discovered through Azavar audit procedures is shared for a period of thirty-six months.

**RECOMMENDATION**

No action needed by the Finance & Governance Committee. This is for informational purposes only.

**ATTACHMENTS**

None



## **INFORMATIONAL MEMORANDUM**

**TO: Finance & Governance Committee**

**FROM: Vicky Carlsen, Finance Director**

**BY: Aaron Williams, Fiscal Manager**

**CC: Mayor Ekberg**

**DATE: February 14, 2021**

**SUBJECT: Preliminary Year-end 2021 General Fund Departmental Budget-to-Actuals Report**

### **Summary**

The purpose of the Preliminary Year-end 2021 General Fund Financial Report is to summarize for the City Council the general state of departmental expenditures and to highlight significant items. The following provides a high-level summary of the departmental financial performance.

The Preliminary 2021 Year-end Report is based on financial data available as of January 31, 2022, for the period ending December 31, 2021. Additional details can be found within the included financial report.

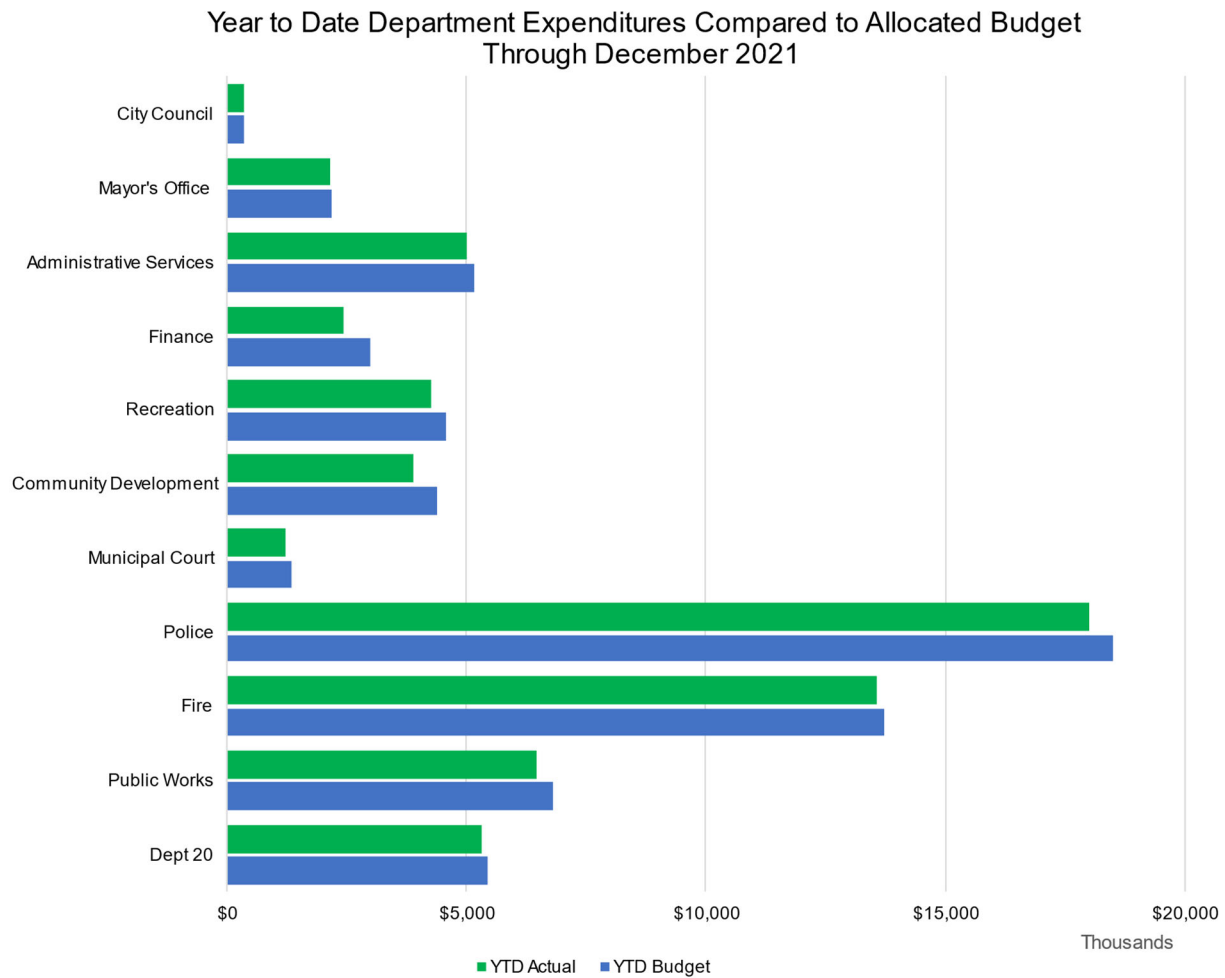
### **Expenditures**

General Fund departmental expenditures totaled \$57.32 million through December, which is \$2.74 million less than the annual budget of \$60.06 million. Department 20, which is transfers to other funds, totaled \$5.31 million, which is \$128 thousand less than the allocated budget. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

Again, these numbers are preliminary, and we will accrue expenditures back into 2021 until we can close the books, typically some time in March.

Once 2021 is close, a full report of all funds will be provide to the Finance & Governance Committee and the full City Council.

**Departmental Variances**



**GENERAL FUND**

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of December 31, 2021

EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
01 City Council	\$ 363,618	\$ 363,618	\$ 381,903	\$ 351,396	\$ 333,702	\$ (29,916)	92%	-8%	-5%
03 Mayor's Office	2,178,126	2,178,126	2,355,805	2,280,110	2,149,534	(28,592)	99%	-3%	-6%
04 Administrative Services	5,158,639	5,158,639	4,726,846	4,750,857	5,005,671	(152,968)	97%	1%	5%
05 Finance	2,991,615	2,991,615	2,392,462	2,402,140	2,436,778	(554,837)	81%	0%	1%
07 Recreation	4,573,403	4,573,403	5,061,090	4,273,655	4,244,077	(329,326)	93%	-16%	-1%
08 Community Development	4,375,887	4,375,887	3,557,282	3,278,151	3,898,258	(477,629)	89%	-8%	19%
09 Municipal Court	1,348,456	1,348,456	1,297,382	1,292,626	1,202,694	(145,762)	89%	0%	-7%
10 Police	18,512,591	18,512,591	18,907,947	17,682,031	18,021,395	(491,196)	97%	-6%	2%
11 Fire	13,736,860	13,736,860	12,562,278	12,850,658	13,562,013	(174,847)	99%	2%	6%
13 Public Works	6,817,377	6,817,377	7,615,085	6,379,120	6,467,121	(350,256)	95%	-16%	1%
<b>Subtotal</b>	<b>60,056,572</b>	<b>60,056,572</b>	<b>58,858,079</b>	<b>55,540,744</b>	<b>57,321,243</b>	<b>(2,735,329)</b>	<b>95%</b>	<b>-6%</b>	<b>3%</b>
20 Dept 20	5,433,545	5,433,545	6,193,897	4,862,449	5,305,587	(127,957)	98%	-21%	9%
<b>Total Expenditures</b>	<b>\$ 65,490,117</b>	<b>\$ 65,490,117</b>	<b>\$ 65,051,976</b>	<b>\$ 60,403,193</b>	<b>\$ 62,626,831</b>	<b>\$ (2,863,286)</b>	<b>96%</b>	<b>-7%</b>	<b>4%</b>

Percent of year completed 100%

INFORMATIONAL MEMO

**GENERAL FUND**

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of December 31, 2021

SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
11 Salaries	\$ 29,325,215	\$ 29,325,215	\$ 28,550,123	\$ 28,119,885	\$ 27,887,462	\$ (1,437,753)	95%	-2%	-1%
12 Extra Labor	515,220	515,220	819,391	131,789	206,427	(308,793)	40%	-84%	57%
13 Overtime	2,181,615	2,181,615	1,724,479	1,367,623	2,274,124	92,509	104%	-21%	66%
15 Holiday Pay	515,500	515,500	460,543	443,224	429,309	(86,191)	83%	-4%	-3%
21 FICA	1,922,890	1,922,890	1,858,800	1,739,528	1,774,345	(148,546)	92%	-6%	2%
22 Pension-LEOFF	899,828	899,828	970,203	1,020,215	953,421	53,593	106%	5%	-7%
23 Pension-PERS/PSERS	1,631,377	1,631,377	1,770,053	1,662,169	1,518,973	(112,404)	93%	-6%	-9%
24 Industrial Insurance	875,820	875,820	774,596	859,956	892,567	16,747	102%	11%	4%
25 Medical & Dental	6,904,119	6,904,119	5,745,036	6,486,004	6,736,673	(167,446)	98%	13%	4%
26 Unemployment	-	-	18,273	93,070	45,019	45,019	-	409%	-52%
28 Uniform/Clothing	8,525	8,525	6,353	4,734	6,489	(2,036)	76%	-25%	37%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 44,780,109</b>	<b>\$ 44,780,109</b>	<b>\$ 42,697,850</b>	<b>\$ 41,928,197</b>	<b>\$ 42,724,810</b>	<b>\$ (2,055,299)</b>	<b>95%</b>	<b>-2%</b>	<b>2%</b>

SUPPLIES, SERVICES AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
0 Transfers	\$ 5,433,545	\$ 5,433,545	\$ 6,193,897	\$ 4,862,449	\$ 5,305,587	\$ (127,957)	98%	-21%	9%
31 Supplies	1,092,211	1,092,211	1,544,004	893,023	972,510	(119,701)	89%	-42%	9%
34 Items Purchased for resale	13,000	13,000	17,794	2,624	3,274	(9,726)	25%	-85%	25%
35 Small Tools	66,450	66,450	116,159	140,071	150,257	83,807	226%	21%	7%
41 Professional Services	5,995,071	5,995,071	6,263,910	5,593,268	5,799,609	(195,462)	97%	-11%	4%
42 Communication	481,810	481,810	396,598	482,845	442,383	(39,427)	92%	22%	-8%
43 Travel	84,696	84,696	197,517	33,735	29,443	(55,253)	35%	-83%	-13%
44 Advertising	34,750	34,750	22,981	15,666	15,095	(19,655)	43%	-32%	-4%
45 Rentals and Leases	2,193,137	2,193,137	2,685,516	1,780,511	2,089,602	(103,535)	95%	-34%	17%
46 Insurance	1,030,329	1,030,329	889,957	987,671	1,113,881	83,552	108%	11%	13%
47 Public Utilities	1,991,445	1,991,445	1,983,981	1,817,328	2,180,246	188,801	109%	-8%	20%
48 Repairs and Maintenance	651,669	651,669	717,261	884,776	715,830	64,161	110%	23%	-19%
49 Miscellaneous	1,123,230	1,123,230	1,224,377	949,675	969,334	(153,896)	86%	-22%	2%
64 Machinery & Equipment	518,665	518,665	100,174	31,353	114,969	(403,696)	22%	-69%	267%
<b>Total Operating Expenses</b>	<b>20,710,008</b>	<b>20,710,008</b>	<b>22,354,126</b>	<b>18,474,996</b>	<b>19,902,021</b>	<b>(807,987)</b>	<b>96%</b>	<b>-17%</b>	<b>8%</b>
<b>Total Expenses</b>	<b>\$ 65,490,117</b>	<b>\$ 65,490,117</b>	<b>\$ 65,051,976</b>	<b>\$ 60,403,193</b>	<b>\$ 62,626,831</b>	<b>\$ (2,863,286)</b>	<b>96%</b>	<b>-7%</b>	<b>4%</b>

Percent of year completed 100%







## **INFORMATIONAL MEMORANDUM**

**TO: Community Services and Safety Committee**

**FROM: Joel Bush and Chief Technology Officer**

**CC: Mayor Ekberg**

**DATE: 2/08/2022**

**SUBJECT: Technology & Innovation Services 2021 Annual Report**

### **ISSUE**

Provide a report out on Technology and Innovation Service's 2021 accomplishments.

### **BACKGROUND**

Technology and Innovation Services is sharing 2021 accomplishments with Community Services and Safety Committee to impart how technology contributes to the achievement of the City of Tukwila's goals and objectives.

### **FINANCIAL IMPACT**

None

### **RECOMMENDATION**

Information Only.

### **ATTACHMENTS**

Report

2021 continued to evolve the hybrid-virtual City. With the ever-changing landscape of the pandemic, 2021 brought agile to a new level. Staff members were using technology on site, off-site, and everywhere in-between. TIS rose to the challenge, enhancing security, enabling self-service, supporting cloud services, and maintaining a high level of one-on-one user support for staff.

**TIS Operations** spent much of their time in 2021 addressing hybrid meeting technologies throughout the City to support physical and remote meeting attendees at the Tukwila Municipal Court, City Council Chambers and Committee meeting rooms, connecting Council, staff and meeting stakeholders with these critical City services. Building out the Emergency Operations HAM Radio infrastructure was another point of emphasis this year, bringing a more resilient communications infrastructure during any potential catastrophic event.



**Employee changes:** TIS welcomed a new addition this year. Will Ragin has done a fantastic job in his first year and continues to rise to the occasion to meet the challenges presented. In addition to Will Ragin being a huge support to TIS Operations, Alan Dunning has joined the team as a temporary employee, dedicated to advancing the As-built project. Having worked as a TIS intern for the past several years, Ryan Mathew received direct admittance to UW's Computer Science program with Junior standing for the 2021/2022 year. This is a great example of how mentoring can be mutually beneficial and provide growth for all involved.

**Network Services:** Increased resiliency, speed, and performance of City services were realized by modernizing the City's virtual server and on-premise storage area network. New device quarantine was added to the Dark Trace appliance to help mitigate network intrusions. The Justice Center camera and Card Access system was connected to the City network with strict access, allowing easier monitoring and management by Justice Center personnel. A site-to-site VPN was created with Central Square, which enabled users working on site or remotely secure access to Finance Enterprise.

**Public Safety:** Legacy servers were transitioned to virtual computers to increase resiliency. Chromebooks were replaced and deployed to the EOC for longevity and ease of maintenance. Active Directory integration/Azure Single Sign-On was configured in new and existing software and systems.

**GIS:** The transition of primary enterprise data to the new Enterprise/Portal environment was completed, enhancing the ability for staff to utilize self-service GIS tools. Developed and initiated a 3 phased As-Built project, collaborating with Public Works and City Clerk's office, to bring greater visibility to As-builts and the ability to locate assets throughout the City. In support of the Smart City/Digital Equity grant proposal, fiber locations around the City were identified and plotted, and a webmap was

created to tell the story, which was well received by internal and external customers.



**Projects/Database support:** Community Development and Online permitting services were upgraded in an effort to stabilize Trakit and take advantages of fixes to the product. Lucity Asset Management was configured and implemented for Fleet, and Neogov Performance Management was rolled out in Q4 of 2021, allowing completion of a full transition off of Lanterria. Throughout 2021, TIS supported Finance in Phase I configuration of Finance Enterprise.

**Small Cell Wireless:** Working in tandem with the Planning Department, TIS pushed forward with an update to the Tukwila Municipal Code as related to Small Cell Wireless and permitting. The update brings Tukwila's code into the current era of wireless infrastructure permitting. Along with the code update, a design standard for Small Wireless Facilities located on City poles was adopted. This initial design meets the need for the majority of Tukwila's light poles. More designs are forthcoming as needs are identified.

**Cloud PBX:** The completion of the City's migration to a new Cloud PBX was a milestone that was completed in Q3. Along with providing resiliency and increased access, the new Cloud PBX enabled the City to terminate service on aging and expensive analog services. Similarly, shortly after the Cloud PBX migration was completed a new Cloud Fax Server was also implemented allowing even more analog services to be discontinued. TIS is looking to terminate the remaining analog lines by moving alarm systems to wireless connectivity in 2022. Panic buttons were also added onto the Cloud PBX system as the solution built into the new Justice Center was found lacking. The new solution allowed for updated buttons to be used throughout the rest of the City as well.

**Franchise:** TIS continues to partner with local vendors and service providers to try and bring resources to the residents of Tukwila. A franchise agreement and asset sharing agreement with Extenet was finalized early in 2021 to mirror the agreement made with Zayo at the end of 2020. These asset sharing agreements will help build out Tukwila's network of fiber throughout the City and enable future projects like Municipal LTE (CBRS). TIS worked with Nokia to successfully demo CBRS technology, which essentially enables Tukwila to be its own cell network provider and offer service in desired areas where financial or technological needs exist.



