

Special Meeting: 2023-2024 Budget Work Session
Wednesday, October 26, 2022
5:30 p.m.

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Agenda

- I.** Call to Order
- II.** City Council Q&A Review
- III.** Capital Projects
- IV.** Revenues
- V.** Next Steps

Meeting Material:

[Proposed 2023-2024 Budget Documents](#) (link)

[2022 Revenue Guide](#) (link)

Attachments:

- 1. City Council Q&A Document
- 2. Capital Projects Memo
- 3. 2023-2024 Biennial Budget Calendar
- 4. City Council Budget Review

2023-2024 Proposed Budget Council Question Follow-Up & Parking Lot

	Date	Councilmember	Comment/Question/Item	Dept.	Response
1.	10/11/22	Kruller	How much (amount and service level) of the pre-pandemic Mayor’s budget was restored in the 2021 budget amendment?	MO	Reinstatements for 2021 included: <div><div>\$20,000</div>Conflict Public Defense</div> <div><div>30,000</div>Trainings, Dues, Registrations</div> <div><div>15,000</div>SeeClickFix</div> <div><div>5,000</div>Employee Recognition and Awards</div> <div><div>10,000</div>ORCA Reimbursements</div> <div><div>12,000</div>Special Matters (legal)</div> <div><div>\$92,000</div></div>
2.	10/11/22	Sharp	Expand narrative detail and/or provide cross-reference to PSRFA contract to better explain the absence of salaries/wages in Fire budget	FD	A link to the 10/3 PSRFA agenda item was emailed to the City Council on 10/11 and added to the budget materials webpage. The link will be changed to the executed contract when it becomes available. The budget narrative will be expanded to include a cross-reference.
3.	10/11/22	Kruller	Clarify percent changes in Preschool Program, Senior Free Services in Division Chart (page 107), Expenditures by Type (page 108) and Salary & Benefit Detail chart (page 109). Consider adding a percentage increase column on page 109.	PR	<p>We have identified errors in both the <i>Expenditures by Division</i> (Pg. 107) and <i>Expenditures by Type</i> (Pg. 108). The charts have been corrected and replacement pages (green sheets) have been provided. The 2022-2023 percentage change column was being calculated as the percentage change between projected 2022 and proposed 2023 as opposed to adopted 2022 and proposed 2023, preventing a budget-to-budget comparison.</p> <p>Concerning the <i>Salary & Benefit Details</i> chart (Pg. 109) we have identified that the Parks Maintenance Worker line, which covers three employees each at 0.75 FTE did contain an error. In the upload for those employees’ salary/benefits, a multiplier was missing in the formula for their 2024 salaries, causing them each to be recorded as full 1.0 FTE as opposed to their proper 0.75 FTE. This error is being</p>

					<p>fixed at this time, creating salary/benefit “<i>savings</i>” of approximately \$33,000 in FY24. Thank you Councilmember Kruller for assisting in identifying this error.</p> <p>Finance agrees that adding percent changes to the personnel chart would be helpful. However, we are also trying to find a way to show the change based on COLAs vs step increases.</p>
4.	10/11/22	Kruller	Clarify Mayor’s budget message reference to 600K in park improvements; show context in budget.	PR	The 301 Fund (page 307) shows total park expenditures in 2023-2024 totaling \$2.1M, funded in part by REET.
5.	10/11/22	McLeod	Explain difference in adopted 2022 and proposed 2023 budgets for Rent & Concessions (1 st chart on page 132)	PR	The difference between our Adopted 2022 and Proposed 2023 revenue figures for Rents & Concessions, specifically that of Rental Operations, represents a change in operational practices, as staff has responded to legislative and community input, providing higher priority for floor space for programs as opposed to rentals. Furthermore, there are some events that COVID shut down that at this time we have not confirmed will return.
6.	10/11/22	McLeod/Hougardy	Provide estimated cost of take home vehicle program if Council would like to pursue that as a recruitment and retention strategy.	PD	See Attachment 1: Memo dated 10/13/22 re: Take-Home Vehicles
7.	10/11/22	Kruller	Explain percentage change in salaries & benefits in multiple charts.	PD	Several charts calculated the percent change using 2022 projected year-end rather than 2022 budget. These have been corrected and green sheets have been provided with correct calculations.
8.	10/11/22	Kruller, Delostrinos Johnson	Provide better explanation or graphical depiction of position proposals in PD.	PD	See Attachment 2, Proposed Changes to Frozen Police Department Positions and Attachment 3, Police Department Budgeted vs Filled Positions.
9.	10/13/22	Kruller	DCD Budget by Revenue/Expenditure Summary: Why is the Advertising budget up by 233.3%? Why is General Government Revenue down 100%?	DCD	The advertising budget was adjusted to reflect past year actuals. We have consistently overspent this line item. Our revenue for sales of maps and publications is nearly zero now that most items are available online, however we should have included revenue in this category for generating public notice address labels. YTD we have

					collected about \$4,400 so an estimate of \$6,000 for upcoming years would be reasonable.
10.	10/13/22	Kruller	DCD Expenditures by Division: Why are Code Enforcement and Permit Coordination being reduced?		They are not being reduced. In the 2021/2022 adopted budget there appears to be some misalignment among how the divisions were funded. This is likely due to the many changes in DCD as positions were initially frozen and then restored, as well as employees transferred in from Public Works. Council should review the “2022 Projected” column and then the “Proposed 2023” and “Proposed 2024” columns that same level of service from this year into the next biennium. The overall funding of the department remains the same from the current biennium into the next.
11.	10/13/22	Quinn, Delostrinos Johnson	How do unfilled vacancies relate to performance? How does this budget relate to achieving the goal of streamlining plan review? Council is interested in hearing the plan moving forward.	DCD	The frozen deputy director will limit staff time on the Comp Plan. The frozen 0.5 planner will limit some staff hours on permit review. However, we recognize there is an opportunity to ensure alignment and improvement with permit processes and staffing. The Administration is exploring ways that we can focus on this alignment in early 2023 and will return to the Council with concrete next steps.
12.	10/13/22	Kruller	Expecting an attrition rate on any of these positions?	DCD	Staff is currently unaware of any planned attrition.
13.	10/13/22	McLeod	Is budget a barrier to technology enhancements?	DCD	Over the past few years, the City has invested in technology to digitize the permit system and provide online offerings. At this point, the City and DCD customers would be best served by continuing to maximize existing technology and ensuring alignment of staff and process to meet the department’s goals.
14.	10/13/22	Quinn	Identify currently unfilled positions in PW. Highlight areas of limited staffing that may be vulnerable – (resiliency/redundancy comment)	PW	In the general fund, there are currently two vacancies that are not frozen – an Infrastructure Project Manager in the Engineering Division and a Maintenance Technician in the Streets Maintenance Division. There are also two Maintenance and Operations Specialist positions that are vacant in the Water and Sewer departments. The traffic signal division is one that is particularly vulnerable with only one certified staff. Historically, our transportation project

					manager has assisted with traffic signals, but that position has been vacant for several months and will be frozen in the next budget.
15.	10/13/22	Kruller	Page 223, Budget by Revenue & Expenditure Summary: What is Security Revenue and why did it increase by 60%?	PW	Security revenue refers to Permit Issuance/Inspection Fees that represent 50% of the revenue generated from Public Works Permits deriving from use of the City's Right-of-Way. In recent years, actual revenues have exceeded projections by a good margin, and staff correspondingly increased this revenue projection to be more in line with historical norms.
16.	10/13/22	Kruller	Parking Lot- funding records staffing	AS	Noted.
17.	10/13/22	Kruller	Provide detail on B&O proposal. Include list of SCA cities that use one and at what level.	FIN	This will be presented during the F&G and COW meetings. Included in the list of all cities within Washington with a B&O.
18.	10/13/22	Kruller	How much would the Museum of Flight pay in admissions tax if they were subject to the full rate?	FIN	Staff estimates the Museum's admissions tax would be between \$350,000 to \$450,000 per year, depending on the number of annual patrons, if the organization was subject to the City's 5% admission tax.
19.	10/13/22	Kruller	Which components of ERP implementation have been completed? Which are remaining and what is the schedule?	FIN	We went live on General Ledger, Accounts Payable, Accounts Receivable and Cashiering. Bank Reconciliation is a byproduct of these modules and is partially implemented. Budget Module is also mostly implemented. What is currently missing is robust reporting to accompany the budget module. Payroll implementation has begun with a planned go-live date of 7/1/23. Utility billing will be the final significant module to be implemented. This won't begin until Payroll is fully implemented. There are several other modules that we do not currently utilize in Eden but want to implement in Finance Enterprise that include Grant Management, Contract Management, Fixed Assets, and Purchasing. These are smaller, less complicated modules to implement and will be implemented as time permits. We hope to begin implementing Purchasing at the end of October and plan to start the Grant Management module in early 2023. Report writing is occurring with all modules and will continue to be built out as staff learns the reporting tool.

20.	10/24/22	Sharp/Hougardy	B&O: What is the financial impact of the additional staff members required?	FIN	The positions will be structured similar to other B&O tax analysts with our comparable cities and surrounding cities. HR will need to do an analysis to determine where the positions fall with the classification and banding system, but we know they will be represented by Teamsters Local 763. Until the classification analysis is complete there is a placeholder in the budget for \$114,760 in salary and \$43,516 in benefits for each position.
21.	10/24/22	McLeod	B&O: How are payments collected? What if business gross revenue collection cycle doesn't match payment cycle?	FIN	These will be part of the system and process implementation that occurs in 2023.
22.	10/24/22	McLeod	B&O: Did you look at \$1M threshold?	FIN	Our analysis of a threshold of \$1 million shows an initial estimate of a B&O bringing in \$3,687,654, not including the exemptions the mayor is proposing, including exempting amateur/semi-professional/professional sports, 501 (c) 3s and cardrooms. It would affect 583 businesses. The Administration's concern would be whether or not the \$3,000,000 needed to balance the budget in 2024 can be achieved with a \$1 million threshold.
23.	10/24/22	Kruller	B&O: Provide information about alternative revenue sources the City could consider.	FIN	A City Revenue Guide was presented at the May 2, 2022 Regular Meeting. All City revenue sources are reviewed in this guide and includes how much we can levy and our current ley rates. The final section speaks to other revenues available that we do not currently utilize. Document was included in Budget Resource binder distributed to Councilmembers earlier this year,, and the link to the item is here . The information is summarized in Attachment 4: Additional Revenues for Consideration.
24.	10/24/22	Quinn	B&O: Provide summary of existing revenue sources over 40K	FIN	See Attachment 5: Existing Revenues over \$40K
25.	10/24/22	Hougardy	B&O: Provide narrative about cost-saving measures the City has already done.	FIN	Frozen positions, departments still operating on reduced budgets from prior to COVID reductions. Majority of budget is staff or contract for fire services. This information is detailed throughout the Budget book.

26.	10/24/22	Sharp	B&O: Provide information about potential cuts in lieu of B&O tax	FIN	Additional staff reductions that cannot be achieved by freezing currently open positions, maintain frozen police positions keeping police understaffed, service reductions for the community in parks, streets, communications and other areas.
27.	10/24/22	Kruller	Provide list of 14 King County cities that do not have B&O tax but do have a head tax; of the 50 Washington cities/towns that do have B&O, how many also have head taxes.	FIN	This information will take time to compile; in the meantime, see Attachment 6 for a list of King County cities with and without B&O tax.
28.	10/24/22		What is the current business license fee?	FIN	Current rates for the business license are \$112 for each full-time and \$56 for each part-time employee. Rate has not changed since 2020.
29.	10/25/22	McLeod	What are the Service & Other Activities that would pay a B&O Tax? I see it represents nearly 50% of our B&O revenue projection. I would expect CPA's, Attorney's, Architects, Engineers, but what other types of service are paying this tax? These services are generating \$2.1 Billion in annual sales.	FIN	<p>The Services category also includes Other Activities. Services is a “catch-all” classification</p> <p>* “Services.” [Comment: RCW 35.102.120 requires that the model ordinance include this definition. However, no explicit definition will be included in this Model Ordinance until the RCW contains a definition of “service”. In the absence of a definition of “service” in state law, the Cities generally use this term and classification to include those activities that do not fall within one of the other tax classifications used by a city.]</p>
30.	10/25/22	McLeod	What stops these services from picking up shop and moving? I am guessing they are not tied to Southcenter Mall.	FIN	Services are much broader than one might think and include hair and nail salons, package/shipping stores, health-related establishments, hotels, real estate brokers, delivery companies, banks, etc. Such establishments often want to be co-located in a retail core for higher visibility and traffic. Many of these establishments have high-traffic storefronts located in busy areas, even though they are labeled as a “service.”

31.	10/25/22	McLeod	Comment - I find it surprising that only 22% of our projected B&O revenue comes from Retail. I would have thought higher.	FIN	<table><tr><th>Categories</th><th>Gross Income</th><th>Count</th><th>% of Gross Incme</th></tr><tr><td>Manufacturing</td><td>346,896,394</td><td>38</td><td>6.8%</td></tr><tr><td>Retail</td><td>1,689,165,125</td><td>208</td><td>33.1%</td></tr><tr><td>Service & Other Activities</td><td>2,155,345,125</td><td>355</td><td>42.2%</td></tr><tr><td>Wholesale</td><td>913,639,413</td><td>75</td><td>17.9%</td></tr><tr><td>Grand Total</td><td>5,105,046,057</td><td>676</td><td>100.0%</td></tr></table>	Categories	Gross Income	Count	% of Gross Incme	Manufacturing	346,896,394	38	6.8%	Retail	1,689,165,125	208	33.1%	Service & Other Activities	2,155,345,125	355	42.2%	Wholesale	913,639,413	75	17.9%	Grand Total	5,105,046,057	676	100.0%
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Services and other activities actually have a higher gross revenue in Tukwila than retail. This makes sense once you think of all of the restaurants and services (hair and nail salons, urgent care facilities, banks, hotels, etc.) in Tukwila’s central business district. Also, the proposed retail rate is lower than the others, yielding a lower amount of revenue.																													
32.	10/25/22	McLeod	Can the city implement a broader base tax than just the B&O? For instance, can we raise our sales tax rate and cover a broader tax base than just the businesses?	FIN	<p>Raising sales tax will require a vote from the people and must be used for specific purposes, such as a Transportation Benefit District. Similarly, a vote of the people is required to do a levy lid lift, which would raise property taxes. Other revenues that can be implemented councilmanically are relatively small and sometimes restricted, such as a car tab fee for improving roads and streets.</p>																								




TUKWILA POLICE DEPARTMENT

Allan Ekberg, Mayor

Eric Drever, Chief of Police

MEMORANDUM

TO: Tukwila City Council

FROM: Chief of Police Eric Drever 

DATE: 10/13/2022

SUBJECT: Response to Council's Budget Question Regarding Take-Home Vehicles

At the Council's Budget Workshop on Tuesday, October 11th, Council asked for information about what the Police Department needs to initiate a full take-home car program for officers. The following information is provided for reference.

The Tukwila Police Department is looking to be competitive with surrounding Puget Sound agencies as we address recruitment and retention of Officers. Our most direct competition are the Valley agencies that we partner with for our regional teams in South King County. The following chart shows the partnered agencies take-home car programs:

Take-Home Program	KCSO	Auburn	Federal Way	Kent	Renton	Port of Seattle	Des Moines	Tukwila
	Yes	Yes	Yes	Yes	Yes	Initiating Program	*Hybrid - Initiating	Hybrid

*Des Moines PD has a hybrid program like Tukwila but have authority to move forward with a full program.

In order to implement a full take-home car program, ten (10) vehicles will need to be acquired. Seven cars are needed to equip the remaining officers, while three cars would act as backups/loaners when cars need service or repair.

The City is moving to leasing vehicles instead of purchasing, including police cars. The cost for the lease of a police car is \$1,557.73 per month, plus a lease start-up fee of \$1000.00, for a total first year cost of \$19,692.76. (Subsequent years of a five-year contract are \$18,692.76.) The lease includes outfitting the cars with needed police specific equipment. (i.e., lights, siren, back seat partition, push-bumpers...)

5-year lease	Year 1 - 2023	Year 2 - 2024	Year 3 - 2025	Year 4 - 2026	Year 5 - 2027	5-year Total
10 Patrol Cars	**\$196,927.60	\$186,927.60	\$186,927.60	\$186,927.60	\$186,927.60	\$944,638.00

**There is currently a delay of up to a year with obtaining vehicles. Costs would not be incurred until delivery of the vehicle, potentially delaying/reducing costs for 2023.

I am available for any questions the Council may have.

Thank you for your consideration.

Proposed Changes to Frozen Police Department Positions

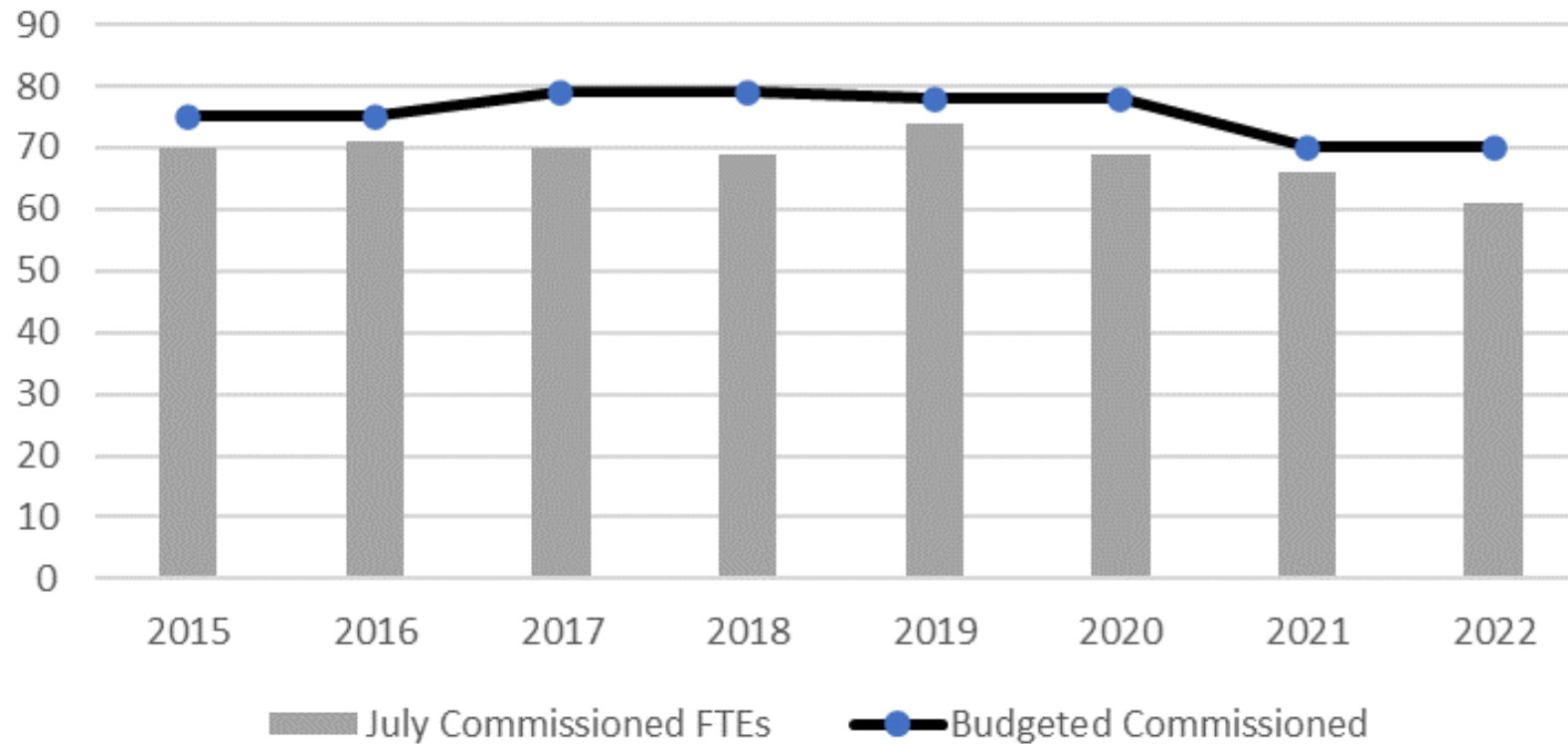
2022 Commissioned Officers = 70

2023 Commissioned Officers = 75

<u>2022 Frozen Positions</u>	<u>Proposed Action</u>	<u>2023 Result</u>
1. School Resource Officer	Budgeted	1. School Resource Officer
2. School Resource Officer	Budgeted	2. School Resource Officer
3. TACT Detective	Budgeted	3. TACT Detective
4. TACT Detective	Budgeted	4. TACT Detective
5. Major Crimes Detective	Budgeted	5. Major Crimes Detective
6. Major Crimes Sergeant	Converted to Non-Com	6. EM Coordinator
7. Community Liaison Officer	Converted to Non-Com	7. PDR Specialist

Police Dept Budgeted vs Filled Positions

Commissioned FTEs Only



	2015	2016	2017	2018	2019	2020	2021	2022
Budgeted Commissioned	75	75	79	79	78	78	70	70
July Commissioned FTEs	70	71	70	69	74	69	66	61
<i>Vacant FTEs (in July)</i>	5	4	9	10	4	9	4	9

Additional Revenues for Consideration – Revenue Guide pages – 71- 81

Revenue	Page	Quick Summary	Notes
Business & Occupation Tax (B&O)	72-73	<ul style="list-style-type: none"> • Cities may impose a B&O tax for revenue purposes upon those conducting business within their jurisdiction, in addition to any state business and occupation tax. • Revenues are unrestricted and may be used for any lawful governmental purpose. • Rates must be the same within a single business class (manufacturing, retail, etc.) but may vary between classes. • Imposition of tax generally does not require voter approval but may be subject to referendum. RCW: 35.21.710 and other statutes. 	Councilmanic
Levy Lid Lift	74-75	<p>A taxing jurisdiction that is collecting less than its maximum statutory levy rate may ask a simple majority of voters to “lift” the total levy amount collected from current assessed valuation by more than 1%. (RCW 84.55.050 – also see WAC 458-19-045, which provides a better understanding of the process than the statute). The new levy rate cannot exceed the maximum statutory rate. Levy lid lifts may generate revenue for any purpose, but if the amount of the increase for a particular year would require a levy rate above the statutory maximum tax rate, the assessor will levy only the maximum amount allowed by law. There are two types of levy lid lifts: single-year lifts (sometimes known as “one-year,” “one-bump,” “basic,” or “original” lifts) and multi-year lifts. However, these names can be confusing, since “singleyear” levy lid lifts typically last for multiple years too.</p>	Voter Approved
Excess Property Tax Levy	76	<p>An Excess levy is a levy of additional taxes by any type of taxing district. The amount is over and above the total tax allowed by statute. (RCW 84.52.052) Districts may place bond and levy issues on any regularly scheduled election. Each ballot measure may have different requirements for passage. Except for school excess levies, all excess tax levies must meet validation requirements and receive at least 60% approval to pass.</p>	Voter Approved
Cultural Access Program Sales Tax	77-78	<ul style="list-style-type: none"> • Sales tax up to 0.1% – revenues are restricted and must be used to benefit or expand access to nonprofit cultural organizations. • Maximum duration of 7 years; may be renewed for additional 7-year periods. • May be imposed by any city or town. • Requires voter approval. RCW: 82.14.525; chapter 36.160 	Voter Approved
Marijuana Excise Tax Summary	79-80	<ul style="list-style-type: none"> • A portion of the state’s marijuana excise tax is distributed to cities and counties depending on their marijuana policies. • Two separate components: – Per capita share distributed to all cities and counties that do not prohibit marijuana businesses. – Retail share distributed to cities and counties where marijuana retailers are located, in proportion to statewide marijuana revenues. 	If retailer in city, would also receive retail share
Transportation Benefit District - Vehicle License Fees	81-82	<ul style="list-style-type: none"> • Any city that has established a transportation benefit district (TBD) may impose a non-voted vehicle license fee up to \$50 or a voted vehicle license fee up to \$100. • Revenues must be used for specified transportation projects. RCW: 82.80.140 • Any city or town may form a transportation benefit district (TBD) under chapter 36.73 RCW to raise revenues for transportation purposes. TBDs may generate revenue through a variety of means, but the two most popular funding mechanisms are a voted sales tax up to 10 years and 0.2% (see Transportation Benefit District Sales Tax) and a vehicle license fee (“car tab fee”) up to \$100 as described below. 	<p>Councilmanic - \$50 fee</p> <p>Voter Approved – up to \$100 and/or Sales Tax</p>

Attachment 5

Revenue Category	Revenue Group	Object	Description	2023 Budget	2024 Budget	Notes
Tax Revenue	Admission Taxes	318110	Admissions Tax	850,000	875,000	Capped at 5% per state law. Our current rate is 5%
	Business & Occupation Taxes	316100	Business & Occupation Taxes		3,000,000	New revenue with highest threshold and lowest rate of surrounding c
		316840	Gambling Tax-Card Rooms	4,500,000	4,500,000	Capped at 20% per stat law. Our current rate is 11%
	Interfund Utility Taxes	317200	Leasehold Excise Tax	130,000	130,000	Capped at 4% per stat law. Our current rate is 4%
		316452	Utility Tax-Interfund Water	775,000	833,000	No cap per state law. Our curren rate is 10%
		316454	Utility Tax-Interfund Sewer	1,085,230	1,138,000	No cap per state law. Our curren rate is 10%
		316458	Utility Tax-IF Surface Water	774,750	813,300	No cap per state law. Our curren rate is 10%
		Property Tax	311100	Real and Personal Prop Tax	17,682,000	18,124,000
	Sales Taxes-Criminal Justice	313710	Local Sls Tx-Criminal Justice	775,000	800,000	State distributes to City based on a formula that considers crime rat
	Sales Taxes-Retail	313110	Sales & Use Tax	20,250,000	20,497,000	
	Utility Taxes	313270	Affordable Housing Tax	128,000	128,000	King County has imposed this tax and distributes to the City
		313610	Natural Gas Tax	130,000	130,000	Distributed to the City based on a formula
		316410	Utility Tax-Electric	1,700,000	1,750,000	Capped at 6% per state law. Our current rate is 6%
		316430	Utility Tax-Gas	850,000	850,000	Capped at 6% per state law. Our current rate is 6%
		316450	Utility Tx-Solid Waste General	710,000	710,000	No cap per state law. Our curren rate is 16%
		316460	Utility Tax-Cable	240,000	240,000	Capped at 6% per state law. Our current rate is 6%
		316470	Utility Tax-Telecommunications	800,000	750,000	Capped at 6% per state law. Our current rate is 6%
Licenses and Permits	Building Permits	322100	Buildings/Structures/Equipment	1,195,789	1,243,078	Set by City
		322101	Electrical Permits	407,263	427,627	Set by City
		322901	Oth Non-BL-Tech Fee	92,523	96,899	Set by City
		321990	Other Business License/Permits	3,200,000	3,200,000	Set by City
	Franchise fees	321910	Franchise Fees	495,000	495,000	
	Rental Housing permits	322104	Rental Housing License	41,000	45,000	Set by City
Intergovernmental Revenue	Grant Revenues	331160	Cops Hiring Grants	41,667	41,667	
		333165	Dept Of Justice - 2016 NCHIP	63,365	63,365	
		333207	FHWA CMAQ-SKC TDM grant	225,000	225,000	
		333215	Dept of Treasury-ARPA	1,813,679	874,893	
		333219	Dept Of Treasury-Cares Act	200,000	200,000	
		334035	State Agencies	303,000	223,000	
	Intergovernmental Revenue	342210	Emergency Services	623,300	649,000	
	Sales Tax Mitigation payments	336099	Sales Tax Mitigation Pmnts	635,470	508,376	Per State legislation, declining and eliminated in a few years
	SCL Agreement	337080	SCL Agreement	2,300,000	2,300,000	Per contract signed by Seattle City Light and City
	State Entitlements	336621	CJ-Violent Crimes	45,000	45,000	Distributed by the State based on a formula
		336691	Fire Insurance Premium Tax	74,000	74,000	Distributed by the State based on a formula
		336694	Liquor Excise Tax	325,000	330,000	Distributed by the State based on a formula
Charges for Services		347303	Fitness Passes-TCC	40,000	40,000	City Policy
		345810	Zoning And Subdivision Fees	163,870	172,063	
		345830	Plan Checking Fees	475,809	499,599	
		345832	Electrical Plan Review	39,710	41,696	
	Security revenue	345833	Structural Peer Review Fee	53,386	56,056	
		342107	Reimb OT-Law Enf Svc Contract	623,700	623,700	
		342400	Protective Inspection Fees	385,000	585,000	
		342401	Planning Inspection Fees	100,000	100,000	
	Other Income	Fines and Penalties	342800	False Alarm Fees	150,000	150,000
		354003	School Zone Camera Penalties	560,000	560,000	
Indirect Cost Allocation		730190	Transfr In Indirect Cost Alloc	2,822,397	2,963,517	
Investment earnings		361110	Investment Interest	100,000	100,000	
		369910	Procurement Card Rebates	90,000	90,000	
Rent & Concessions		362401	Fac Rentals (Short-Term) TCC	169,000	169,000	
		362500	Facilities Leases (Long-Term)	140,000	840,000	
Non Operating Revenue	Budget Use of PY fund balance	299999	Use of Fund Balance for Budget	53,728	55,340	
	Transfers In	730302	Transfer In from 302	300,000	200,000	
		730305	Transfer In from 305	1,319,019	1,317,849	
Total				71,046,655	74,874,025	

King County Cities - B&O

Count	Cities	Population	B&O Tax
1	Algona	3,300	Yes
2	Auburn	78,690	Yes
3	Beaux Arts Village	315	No
4	Bellevue	153,900	Yes
5	Balck Diamond	6,145	No
6	Bothell	2,210	No
7	Burien	52,490	Yes
8	Carnation	2,160	No
9	Clyde Hill	3,110	No
10	Covington	21,200	No
11	Des Moines	33,160	Yes
12	Duvall	8,320	No
13	Enumclaw	12,910	No
14	Federal Way	101,800	No
15	Hunts Point	460	No
16	Issaquah	40,950	Yes
17	Kenmore	24,090	Yes
18	Kent	137,900	Yes
19	Kirkland	93,570	No
20	Lake Forest Park	13,620	Yes
21	Maple Valley	28,920	No
22	Medina	2,915	No
23	Mercer Island	25,780	Yes
24	Milton	1,630	No
25	Newcastle	13,560	No
26	Normandy Park	6,790	No
27	North Bend	7,915	Yes
28	Pacific	7,230	Yes
29	Redmond	75,270	No
30	Renton	107,500	Yes
31	Sammamish	68,150	No
32	SeaTac	31,910	No
33	Seattle	762,500	Yes
34	Shorline	60,320	Yes
35	Skykomish	165	No
36	Snoqualmie	14,490	Yes
37	Tukwila	22,620	No
38	Woodinville	13,450	No
39	Yarrow Point	1,125	No



INFORMATIONAL MEMORANDUM

TO: **City Council**
FROM: **Hari Ponnekanti, Public Works Director**
Pete Mayer, Interim Parks and Recreation Director
BY: **Griffin Lerner, Public Works Analyst**
CC: **Mayor Ekberg**
DATE: **October 26, 2022**
SUBJECT: **Summary of Planned Capital Projects for 2023-2024 Biennium**

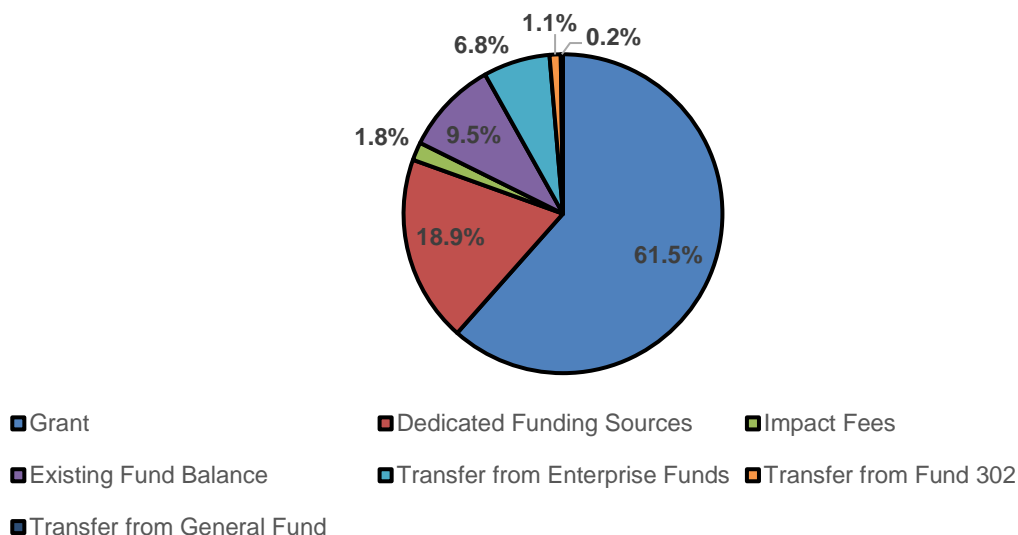
Below this narrative are two charts that summarize planned capital projects for 2023 and 2024. The charts list the capital project, the proposed budget specific to fiscal year and how the project is funded. The chart also includes a page reference to the section of the 2023-2024 proposed Capital Improvement Program (CIP). While these charts summarize capital projects by year, the CIP pages provide financial details for the life of the project.

Dedicated revenue includes such sources as parking tax, motor vehicle fuel tax, REET (real estate excise tax), impact fees, etc. These revenue sources are either internally dedicated to capital projects such as the solid waste utility tax, or externally restricted like REET, parking taxes, etc.

For 2023, a total of \$17,927,000 is planned for general government capital projects. The direct impact to the general fund is \$100,000 (a transfer from the general fund for an HVAC replacement at the TCC, contingent on receiving grant funding) plus debt service requirements from prior year debt issues. In 2024, planned projects include expenditures of \$26,304,000 with the impact to the general fund being existing debt service requirements.

In the next biennium, more than 82% of the funding for capital projects is coming from grants or dedicated funding sources, and less than 10% comes from existing fund balances.

Funding Sources of 23-24 General Government Capital Projects



Highlights of Select Capital Projects

42nd Ave Bridge Replacement: In the 2021-2022 biennium, the City achieved full grant funding for the entire ~\$32 Million cost of the 42nd Ave Bridge Replacement. The project will reach 100% design by the end of 2023 and is due to begin construction in early 2024.

Allentown Truck Reroute NEW CIP PAGE: With the support of Council's \$1.3 Million allocation in 2021 (approved at the 11/15/21 Regular Meeting as a part of the 21-22 biennial budget), the City hired an Environmental Impact Statement (EIS) Project Manager in early 2022 and will soon begin contracting with a consultant to create an EIS for the Allentown Truck Reroute project, with estimated completion in early 2024. No additional general fund support is anticipated in the next biennium.

City Hall Campus Facilities Plan: In accordance with staff's update to Council at the 7/25 Finance & Governance Committee, as well as the 9/26 Finance & Governance and Committee of the Whole, staff are proposing initiating a comprehensive long-term facility needs study. This project will use the existing fund balance and will not require any further general fund support.

Public Works Shops Phase 2:

The CIP currently allocates \$5.5 million to design costs associated with Public Works Shops, Phase II. This projection is subject to updated cost estimates as a part of the currently ongoing test-to-fit process, as well as Council's approval to move forward with design after the test-to-fit process has concluded in the next several weeks. The funding for design of Phase II will come from lease revenue from the former UPS site, as well as a 50/50 split with the Utility funds as outlined in the D-20 model.

The CIP also allocates ~\$450,000 in 2023 for remaining Phase 1 expenses associated with the roofing improvements approved by Council at the 4/11 Committee of the Whole. Any roofing work not completed in 2022 will be finished in 2023.

Fund 301 Land Acquisition, Park Improvement Fund Projects

This fund supports the Parks and Recreation Department's six year capital improvement plan (CIP) that addresses construction, repair, maintenance and acquisition of parks, trails, recreation and open space properties. Investments are guided in part by local, regional and state plans. Local plans include the Parks, Recreation and Open Space Plan (PROS), Walk and Roll Plan, Urban Tree Canopy Assessment, ADA Transition Plan, Municipal Arts Fund Plan and park and trail master plans.

Projects include planning, permitting, engineering, renovation, replacement and construction of park and recreation facilities and acquisition of park and open space lands. Funding sources include a variety of sources including one-quarter real estate excise tax (REET), park impact fees (PIF), 1% Municipal Arts Fund, King County Parks levy allocations, local, state and federal grants and other miscellaneous sources.

In Q1 2023, staff will return to Council with revised park project descriptions and a revised Six-Year CIP. For budget planning purposes, the major categories and their proposed 2023-2024 biennium spending include:

- Park Acquisition: \$15,000- acquisition planning to inform future potential park transfer and development of property management guidelines
- Open Space Improvements: \$100,000- continued investment in vegetation management, streambank and uplands restoration, and urban forestry.
- Park Improvements: \$1,700,000- primary focus will be on rehabilitation and major repair of park assets systemwide with particular emphasis on Cascade View Community Park,¹⁶

Crestview Park, Crystal Springs Park, Joseph Foster Park, Tukwila Park and Tukwila Community Center. Includes park master planning to guide improvements on undeveloped properties- 116th, Star Nursery, and Southgate, while also implementing phased elements of recent park master plans.

- Multipurpose Trails: \$200,000- increased investment in surface repair and renovation, site furnishings and wayfinding, and completion of the Lake to Sound Trail including connection to Renton.
- Municipal Arts Fund: \$95,000- supports projects and initiatives identified in the Municipal Arts Plan including priority areas of the Duwamish River, Tukwila International Boulevard, Southcenter District and Tukwila Village.

Significant increases in investments supporting the rehabilitation and improvement of parks, recreation facilities, trails and open space are forecasted over the six-year CIP period. In addition to appropriating dedicated REET funds for parks, the Department will be more aggressively pursuing local, regional, state, and federal grants and developing philanthropic and planned giving initiatives to leverage secured sources of funding. The Department is updating its approach to capital improvement planning focusing on projects that 1) renovate and replace park furnishings and assets, including preserving green infrastructure; 2) address safety and security improvements and emergency repair needs; 3) increase neighborhood and regional connectivity through improved trail and water access opportunities; 4) dedicate resources for future park, recreation and open space planning and acquisition, including planning, design and engineering.

Attachments:

Fiscal Year 2023 Capital Projects Summary

Fiscal Year 2024 Capital Projects Summary

New CIP Page – Allentown Truck Reroute

Debt Capacity Chart

Fiscal Year 2023 Capital Projects Summary

Pg #	Fund	Project	Expenditure Budget	Grant	Dedicated Funding Sources	Impact Fees	Transfer from Enterprise Funds	Transfer from Fund 302	Transfer from General Fund	Existing Fund Balance	Total Funding
2	Residential Streets	S 119th St Bridge/ 42nd Ave S Raised Crosswalk and RRFB	\$250,000	\$175,000						\$75,000	\$250,000
3	Residential Streets	Neighborhood Traffic Calming	\$650,000	\$250,000	\$400,000						\$650,000
4	Residential Streets	S 152nd St Safe Routes to School	\$4,015,000	\$3,200,000	\$100,000					\$715,000	\$4,015,000
5	Residential Streets	46th Ave S Safe Routes to School	\$510,000	\$408,000	\$102,000						\$510,000
9	Arterial Streets	42nd Ave S Bridge Replacement	\$1,500,000	\$1,500,000							\$1,500,000
10	Arterial Streets	Allentown Truck Reroute	\$900,000							\$900,000	\$900,000
11	Arterial Streets	Green River Trail Improvements	\$1,297,000	\$989,000	\$308,000						\$1,297,000
12	Arterial Streets	Annual Overlay and Repair Program	\$1,400,000		\$1,400,000						\$1,400,000
13	Arterial Streets	Annual Bridge Inspections and Repairs	\$200,000		\$200,000						\$200,000
14	Arterial Streets	ADA Improvements	\$100,000		\$100,000						\$100,000
15	Arterial Streets	Annual Traffic Signal Program	\$130,000		\$130,000						\$130,000
16	Arterial Streets	Wetland & Environmental Mitigation	\$60,000							\$60,000	\$60,000
17	Arterial Streets	Transportation Element of Comp Plan	\$300,000	\$240,000	\$60,000						\$300,000
19	Arterial Streets	Southcenter Blvd/65th Ave S Signal	\$100,000			\$100,000					\$100,000
30	Parks & Recreation	Park Improvements	\$742,000		\$292,000	\$100,000				\$350,000	\$742,000
31	Parks & Recreation	Multipurpose Trails	\$125,000		\$31,000					\$94,000	\$125,000
32	Parks & Recreation	Municipal Arts Fund	\$64,000		\$64,000						\$64,000
X	General	City-Wide ERP System	\$300,000					\$300,000			\$300,000
48	General Government Improvements	City-wide Facilities Plan	\$340,000							\$340,000	\$340,000
48	General Government Improvements	TCC HVAC Replacement	\$2,000,000	\$1,800,000					\$100,000	\$100,000	\$2,000,000
51	City Facilities	Public Works Shops	\$2,944,000		\$140,000		\$2,000,000			\$804,000	\$2,944,000
	TOTAL		\$17,927,000	\$8,562,000	\$3,327,000	\$200,000	\$2,000,000	\$300,000	\$100,000	\$3,438,000	\$17,927,000

Fiscal Year 2024 Capital Projects Summary

Pg #	Fund	Project	Expenditure Budget	Grant	Dedicated Funding Sources	Impact Fees	Transfer from Enterprise Funds	Transfer from Fund 302	Transfer from General Fund	Existing Fund Balance	Total Funding
3	Residential Streets	Neighborhood Traffic Calming	\$575,000	\$175,000	\$400,000						\$575,000
5	Residential Streets	46th Ave S Safe Routes to School	\$2,070,000	\$1,656,000	\$414,000						\$2,070,000
6	Residential Streets	Macadam Rd South Complete Street	\$500,000	\$450,000						\$50,000	\$500,000
9	Arterial Streets	42nd Ave S Bridge Replacement	\$15,725,000	\$15,725,000							\$15,725,000
12	Arterial Streets	Annual Overlay and Repair Program	\$1,400,000		\$1,400,000						\$1,400,000
13	Arterial Streets	Annual Bridge Inspections and Repairs	\$205,000		\$205,000						\$205,000
14	Arterial Streets	ADA Improvements	\$50,000		\$50,000						\$50,000
15	Arterial Streets	Annual Traffic Signal Program	\$130,000		\$130,000						\$130,000
16	Arterial Streets	Wetland & Environmental Mitigation	\$70,000		\$70,000						\$70,000
19	Arterial Streets	Southcenter Blvd/65th Ave S Signal	\$1,000,000	\$500,000		\$500,000					\$1,000,000
18	Arterial Streets	S 119th St Pedestrian Bridge Painting	\$200,000		\$200,000						\$200,000
28	Parks & Recreation	Park Acquisition	\$15,000							\$15,000	\$15,000
29	Parks & Recreation	Open Space Improvements	\$100,000	\$100,000							\$100,000
30	Parks & Recreation	Park Improvements	\$958,000	\$175,000	\$248,000	\$100,000				\$435,000	\$933,000
31	Parks & Recreation	Multipurpose Trails	\$75,000		\$75,000						\$75,000
32	Parks & Recreation	Municipal Arts Fund	\$31,000		\$31,000						\$31,000
X	General	City-Wide ERP System	\$200,000					\$200,000			\$200,000
51	City Facilities	Public Works Shops	\$3,000,000		\$840,000		\$1,000,000			\$1,160,000	\$3,000,000
	TOTAL		\$26,304,000	\$18,781,000	\$4,063,000	\$600,000	\$1,000,000	\$200,000	\$0	\$1,660,000	\$26,304,000

New CIP Page – Allentown Truck Reroute

PROJECT: Allentown Truck Reroute

Project No. 92110405

DESCRIPTION: Preparation of an Environmental Impact Statement (EIS) that will consider rerouting the freight truck traffic that currently uses surface streets in Tukwila's Allentown neighborhood to access BNSF Railway Company's South Seattle Intermodal Facility.

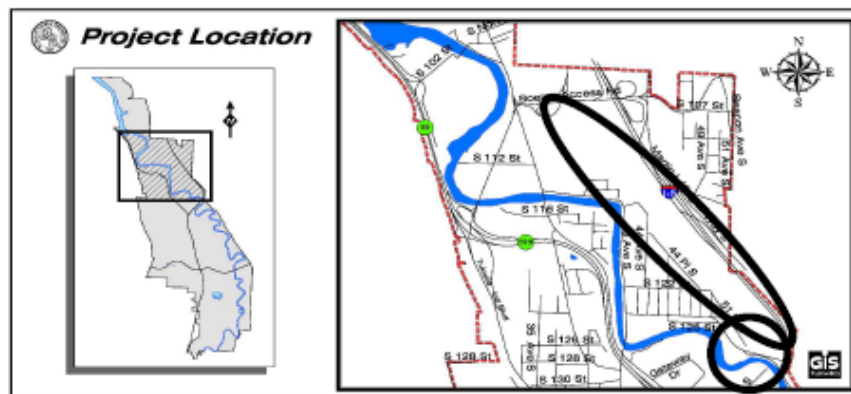
JUSTIFICATION: The City has committed to addressing the Allentown community's ongoing concerns about the adverse effects of truck traffic from BNSF's intermodal facility on the Allentown neighborhood – e.g. noise, vibration, truck emissions, and the safety of pedestrians and bicyclists.

STATUS: In 2021, City Council allocated \$1.2 Million for the EIS. Using that budget, the City hired a project manager, who has reviewed documentation from the City's past truck reroute efforts for Allentown, established a working relationship with the Allentown community, and coordinated the hiring of a consultant team. Consultant work on the project is expected to begin in October of 2022, and will take approximately 18 to 24 months to complete.


MAINT. IMPACT: Because the project is an environmental study, no maintenance impacts are expected.

COMMENT: The project has been coordinated with other City efforts in Allentown, including the 42nd Ave. S Bridge replacement, the Allentown traffic calming project, and overlay work. Discussion of these efforts has been included in regular community engagement meetings at the TCC to ensure a regular flow of information to Allentown residents and businesses, and to encourage public buy-in of City projects.

FINANCIAL (in \$000's)	Through 2021	Estimated 2022	2023	2024	2025	2026	2027	2028	BEYOND	TOTAL
EXPENSES										
Design	427	600	600							1,627
Land (R/W)										0
Const. Mgmt.										0
Construction										0
TOTAL EXPENSES	427	600	600	0	0	0	0	0	0	1,627
FUND SOURCES										
Awarded Grant										0
Proposed Grant										0
Mitigation Actual BNSF										0
Mitigation Expected										0
Council Allocation	427	300	900	0	0	0	0	0	0	1,627
TOTAL SOURCES	427	300	900	0	0	0	0	0	0	1,627



Debt Capacity Chart

City of Tukwila									
Historical Debt Capacity with Projected Assessed Value and Projected Debt Capacity									
						Without a Vote of the People	With a Vote of the People		
						Legal Debt Limit			
Year	LTGO Debt	UTGO Debt	Total Long-Term Debt	Assessed Value	%Change AV	1.5%	2.5%	Remaining Non-Voted Debt Capacity	Remaining Total Debt Capacity
2017	35,014,277	32,990,000	68,004,277	6,184,943,263	7.31%	92,774,149	154,623,582	57,759,872	86,619,305
2018	48,358,749	31,875,000	80,233,749	6,685,919,176	8.10%	100,288,788	167,147,979	51,930,039	86,914,230
2019	71,439,055	68,405,000	139,844,055	7,351,973,382	9.96%	110,279,601	183,799,335	38,840,546	43,955,280
2020	72,205,534	67,035,000	139,240,534	7,883,057,562	7.22%	118,245,863	197,076,439	46,040,329	57,835,905
2021	73,117,643	66,335,000	142,302,643	8,010,892,032	1.62%	120,163,380	200,272,301	44,195,737	57,969,658
2022	70,734,706	65,375,000	138,650,706	8,997,820,180	12.32%	134,967,303	224,945,505	61,691,597	86,294,799
2023	64,094,790	63,595,000	129,921,790	9,402,722,088	4.50%	141,040,831	235,068,052	74,714,041	105,146,262
2024	59,643,954	61,615,000	123,181,954	9,825,844,582	4.50%	147,387,669	245,646,115	85,820,715	122,464,161
2025	55,602,406	59,210,000	116,426,406	10,268,007,588	4.50%	154,020,114	256,700,190	96,803,708	140,273,784
2026	51,941,964	56,565,000	109,811,964	10,730,067,930	4.50%	160,951,019	268,251,698	107,704,055	158,439,734
2027	48,157,300	53,660,000	102,813,300	11,212,920,987	4.50%	168,193,815	280,323,025	119,040,515	177,509,725
2028	44,231,450	50,485,000	95,403,450	11,717,502,431	4.50%	175,762,536	292,937,561	130,844,086	197,534,111
2029	40,164,314	47,025,000	87,567,314	12,244,790,040	4.50%	183,671,851	306,119,751	143,129,537	218,552,437
2030	36,414,928	43,290,000	79,773,928	12,795,805,592	4.50%	191,937,084	319,895,140	155,453,156	240,121,212
2031	32,218,328	39,270,000	71,488,328	13,371,616,844	4.50%	200,574,253	334,290,421	168,355,925	262,802,093
2032	28,515,314	34,950,000	63,465,314	13,973,339,602	4.50%	209,600,094	349,333,490	181,084,780	285,868,176
2033	24,683,322	30,315,000	54,998,322	14,602,139,884	4.50%	219,032,098	365,053,497	194,348,776	310,055,175
2034	20,723,662	25,360,000	46,083,662	15,259,236,179	4.50%	228,888,543	381,480,904	208,164,881	335,397,242
2035	16,626,052	20,075,000	36,701,052	15,945,901,807	4.50%	239,188,527	398,647,545	222,562,475	361,946,493
2036	12,652,810	14,440,000	27,092,810	16,663,467,388	4.50%	249,952,011	416,586,685	237,299,201	389,493,875
2037	8,926,072	8,440,000	17,366,072	17,413,323,420	4.50%	261,199,851	435,333,086	252,273,779	417,967,014
2038	5,070,838	4,335,000	9,405,838	18,196,922,974	4.50%	272,953,845	454,923,074	267,883,007	445,517,236
2039	1,640,000	-	1,640,000	19,015,784,508	4.50%	285,236,768	475,394,613	283,596,768	473,754,613
2040	-	-	-	19,871,494,811	4.50%	298,072,422	496,787,370	298,072,422	496,787,370
2041	-	-	-	20,765,712,078	4.50%	311,485,681	519,142,802	311,485,681	519,142,802
2042	-	-	-	21,700,169,121	4.50%	325,502,537	542,504,228	325,502,537	542,504,228
2043	-	-	-	22,676,676,732	4.50%	340,150,151	566,916,918	340,150,151	566,916,918
						Voted debt cannot exceed the aggregate of: 2.5% for general purposes, 2.5% for parks and open spaces, & economic development, and 2.5% for utility purposes			



2023-2024 Biennial Budget Calendar

Note To make the best use of Council time, Workshops may take place during COW, Regular Meeting, or Special Work Sessions, depending on schedules and other legislative items.

January 24	Process discussion at F&G Committee
February 5	Process/Calendar discussion at Council Retreat
March 7	Council workshop: Overview - Structure of City Funds, Financial Policies, Bond Rating
April - June	Budget module in new ERP system configured and tested
May 2	Council workshop: Review of City revenues, revenue sources
May – June	Program list refined, programs rescored as needed
June - August	Department heads prepare budget estimates <ul style="list-style-type: none"> RCW: on or before the fourth Monday in September
May - July	Community outreach
June 6	Council workshop: Overview of Capital Projects - Prioritization, Funding, Impacts to Ongoing Maintenance
June 27	City Council direction on contracting with Puget Sound Regional Fire Authority
July 12	City Council Town Hall
Mid July	Consumer Price Index (CPI) published
August - September	Finance Department/Administration reviews departmental budgets; community feedback evaluated
September	Contract negotiations with Puget Sound Regional Fire Authority must be completed
September	Council review: any fund that is ready for review that is not impacted by the general fund. Possible funds available for review: drug seizure, lodging tax, contingency, debt service, LEOFF 1 retiree, firemen's pension (Note: documents for review will be provided as early as possible to allow Council adequate time to review materials prior to work sessions)
September 27	Labor Town Hall
October 3	Draft Budget presented to Council by Mayor <ul style="list-style-type: none"> RCW: no later than the first Monday in October

	(Note: complete 2023-2024 Biennial Budget Document and Capital Improvement Program document will be provided as early as possible to allow Council adequate to review materials prior to work sessions)
October 11 & 13	Council work session: General Fund Review
October 24	Budget legislation in F&G Committee B&O Presentation in F&G Committee and COW
October 26	Council work session: Q&A, Capital Projects, Revenues
November	Council work session(s): Council deliberations
November 14	Public Hearing on Budget & Property Tax Legislation <ul style="list-style-type: none"> • RCW: Property tax legislation must be sent to the County by December 1.
December 5 or 12	Budget adopted by Council
Completed	
In Progress	

City Council Review: 2023-2024 Biennial Budget			
Section	Page	Committee Date	COW or Work Session Date
<i>General Fund</i>			
City Council	69		10/11
Municipal Court	89		10/11
Mayor's Office	75		10/11
Parks Department	101		10/11
DCD	141		10/13
Police Department	167		10/11
Fire Department	201		10/11
Public Works Department	213		10/13
Administrative Services	237		10/13
Finance Department	263		10/13
Department 20 – Non-Departmental Expenses	273		10/13
<i>Special Revenue Funds</i>			
Lodging Tax	275	9/19	9/26
Drug Seizure	279	10/24	10/24
Contingency Fund (105)	283	10/10	10/24
<i>Debt Service</i>			
Debt Service	285	10/10	10/24
<i>Capital Project Funds</i>			
Residential Street Fund (103)	295	9/19	9/26
Bridges & Arterial Street Fund (104)	300	9/19	9/26
Land Acquisition, Recreation and Park Development (301)	305	10/10	10/10
Urban Renewal (302)	311	10/3	10/10
General Government Improvement (303)	313	9/26	9/26
Fire Improvement (304)	315	10/10	10/24

Public Safety Plan Fund (305)	317	9/26	9/26
City Facilities Fund (306)	321	9/26	9/26
<i>Enterprise Funds</i>			
Water (401)	324	10/3	10/10
Sewer (402)	335	10/3	10/10
Golf Course (411)	347	10/10	10/10
Surface Water (412)	360	10/3	10/10
<i>Internal Service Funds</i>			
Equipment Rental & Replacement (501)	373	10/17	10/24
Self-Insured Healthcare (502)	383	10/10	10/24
LEOFF 1 (503)	387	9/26	9/26
Firemen's Pension (611)	389	9/12	9/12