



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: October 18, 2022

**SUBJECT: 2023 – 2024 Biennial Budget Ordinance
2023 – 2028 Financial Planning Model and Capital Improvement Program**

ISSUE

Adopt the 2023 – 2024 biennial budget and the 2023 – 2028 Capital Improvement Program (CIP) by the end of December.

BACKGROUND

The proposed biennial budget for 2023 – 2024 and draft 2023 – 2028 CIP were presented to Council on October 3, 2022. Departments within the general fund and all other funds have been reviewed in Council Committees and at the Council Committee of the Whole. Additionally, Council held budget workshops on October 11 and October 13, 2022, to discuss both the budget and CIP. Additional workshops will be scheduled before final adoption.

DISCUSSION

At this time the proposed 2023 – 2024 biennial budget as well as the 2023 – 2028 CIP is being presented to the Finance & Governance Committee for review and discussion. The public hearing, another opportunity for community input, is scheduled for Tuesday, November 14, 2022.

The ordinance and resolution are in draft form and will be updated prior to final adoption if any changes are made to either the proposed biennial budget or the CIP.

RECOMMENDATION

The Finance & Governance Committee is being asked to review the 2023 – 2024 biennial budget ordinance and the 2023 – 2028 Financial Planning Model and Capital Improvement Plan resolution and forward to the Committee of the Whole for the legally required Public Hearing on November 14, 2022. Final action on the budget legislation could occur at the November 21 Regular Meeting, or any Regular or Special meeting through the end of the year per the Council's preference.

ATTACHMENTS

Draft Budget Ordinance
Reconciliation of 2023 – 2024 Budget Summary to Ordinance
Draft CIP Resolution

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON; ADOPTING THE BIENNIAL BUDGET OF THE CITY OF TUKWILA FOR THE 2023-2024 BIENNIUM; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the preliminary budget of the City of Tukwila for the 2023-2024 biennium was submitted to the City Council in a timely manner for their review; and

WHEREAS, a Public Hearing on the proposed budget was advertised and held on November 14, 2022; and

WHEREAS, as budget oversight is one of its key legislative responsibilities, the City Council conducted a thorough process to deliberate the proposed 2023-2024 Biennial Budget;

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

Section 1. The City Council hereby adopts the document entitled “City of Tukwila 2023-2024 Biennial Budget,” incorporated by this reference as if fully set forth herein, in accordance with RCW 35A.34.120.

Section 2. Cost of living adjustments (COLAs) for non-represented employees shall be implemented per the City Council’s Compensation Policy.

Section 3. A market and compression study for non-represented employees, as included in the 2023-2024 Biennial Budget, is expected to be completed by the end of 2023 and upon completion of the study, compensation will be adjusted per the market study with an effective date of January 1, 2020. Adjustments will be for non-represented employees on staff when the market study is completed.

Section 4. The totals of the estimated revenues and appropriations for each separate fund and the aggregate totals are as follows:

Fund	Total Expenditures	Total Revenues
000 General	\$ 166,485,032	\$ 166,485,032
105 Contingency	7,082,148	7,082,148
101 Hotel/Motel	3,530,201	3,530,201
103 City Street	9,326,503	9,326,503
104 Arterial Street	30,749,479	30,749,479
109 Drug Seizure Fund	666,515	666,515
2XX LTGO Debt Service Funds	11,815,404	11,815,404
213 Unlimited Tax G.O. Bonds	9,615,168	9,615,168
206 LID Guaranty	764,958	764,958
233 2013 LID	1,615,678	1,615,678
301 Land Acquisition, Recreation & Park Dev.	4,692,436	4,692,436
302 Facility Replacement	2,533,800	2,533,800
303 General Government Improvements	2,345,128	2,345,128
304 Fire Improvements	600,000	600,000
305 Public Safety Plan	2,738,557	2,738,557
306 City Facilities	6,256,324	6,256,324
401 Water	22,155,562	22,155,562
402 Sewer	34,034,242	34,034,242
411 Foster Golf Course	6,094,043	6,094,043
412 Surface Water	28,393,244	28,393,244
501 Equipment Rental	7,945,539	7,945,539
502 Insurance Fund	13,172,855	13,172,855
503 Insurance - LEOFF 1 Fund	959,737	959,737
611 Firemen's Pension	1,694,370	1,694,370
Total All Funds Combined	<u>\$ 375,266,924</u>	<u>\$ 375,266,924</u>

Section 5. A complete copy of the final budget for 2023-2024, as adopted, together with a copy of this adopting ordinance, shall be kept on file electronically by the City Clerk and accessible from the City's website in accordance with Washington State records retention schedule requirements and City policy, and shall be made available to the public upon request. A complete copy of the final budget for 2023-2024, as adopted, together with a copy of this adopting ordinance, shall be transmitted by the City Clerk to the Division of Municipal Corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 6. Corrections by City Clerk or Code Reviser. 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 7. 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 8. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2022.

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

Reconciliation of 2023-2024 Budget Summary to Ordinance

REVENUES	2023 Beginning Fund Balance	2023 Revenues	2024 Revenues	Total Revenues
000 General	\$ 19,085,142	\$ 71,839,634	\$ 75,560,256	\$ 166,485,032
101 Hotel/Motel	2,048,201	726,000	756,000	3,530,201
103 City Street	847,903	5,352,800	3,125,800	9,326,503
104 Arterial Street	6,570,879	4,873,800	19,304,800	30,749,479
105 Contingency	7,042,148	20,000	20,000	7,082,148
109 Drug Seizure Fund	435,515	115,500	115,500	666,515
200 LTGO Bonds	-	392,475	389,375	781,850
208 LTGO Bonds - 2017 (Public Safety Plan)	-	1,532,700	1,534,450	3,067,150
209 LTGO Bonds - 2017 (Residential Street)	-	558,400	557,750	1,116,150
210 Limited Tax G.O. Refunding Bonds, 2003	-	-	-	-
211 Limited Tax G.O. Refunding Bonds, 2008	-	-	-	-
212 Limited Tax G.O. Bonds, 2009A	-	376,876	376,914	753,790
214 Limited Tax G.O. Bonds, 2010A	-	-	-	-
216 Limited Tax G.O. Refunding Bonds, Valley Comm	-	-	-	-
217 2011 Refunding Bonds	-	-	-	-
218 2014 MPD	-	-	-	-
219 LTGO - PSP/PW Shops	-	1,691,050	1,689,550	3,380,600
220 2020 Bonds - refunding	-	513,029	516,579	1,029,608
221 2021 Bonds - refunding / PW Shops	-	1,114,540	571,716	1,686,256
2XX LTGO Debt Service Funds	-	6,179,070	5,636,334	11,815,404
213 UTGO Bonds	314,818	4,487,175	4,813,175	9,615,168
206 LID Guaranty	758,958	3,000	3,000	764,958
233 2013 LID	586,678	525,000	504,000	1,615,678
301 Land Acquisition, Recreation & Park Dev.	3,751,186	487,250	454,000	4,692,436
302 Facility Replacement	1,183,800	1,350,000	-	2,533,800
303 General Government Improvements	444,128	1,901,000	-	2,345,128
304 Fire Improvements	-	300,000	300,000	600,000
305 Public Safety Plan	538,557	1,100,000	1,100,000	2,738,557
306 City Facilities	2,274,324	2,141,000	1,841,000	6,256,324
401 Water	4,690,562	7,728,000	9,737,000	22,155,562
402 Sewer	11,742,027	10,882,300	11,409,915	34,034,242
411 Foster Golf Course	1,505,043	2,294,500	2,294,500	6,094,043
412 Surface Water	5,944,369	11,367,500	11,081,375	28,393,244
501 Equipment Rental	4,322,760	2,237,991	1,384,788	7,945,539
502 Insurance Fund	764,171	6,204,342	6,204,342	13,172,855
503 Insurance - LEOFF 1 Fund	258,737	350,500	350,500	959,737
611 Firemen's Pension	1,543,370	75,500	75,500	1,694,370
Total	\$ 76,653,277	\$ 142,541,862	\$ 156,071,785	\$ 375,266,924

EXPENDITURES	2023 Expenditures	2024 Expenditures	2024 Ending Fund Balance	Total Expenditures
000 General	\$ 75,756,268	\$ 77,992,440	\$ 12,736,324	\$ 166,485,032
101 Hotel/Motel	938,890	944,668	1,646,643	3,530,201
103 City Street	5,912,000	3,145,000	269,503	9,326,503
104 Arterial Street	6,149,662	19,209,451	5,390,366	30,749,479
105 Contingency	-	-	7,082,148	7,082,148
109 Drug Seizure Fund	266,008	279,297	121,211	666,515
200 LTGO Bonds	392,475	389,375	-	781,850
208 LTGO Bonds - 2017 (Public Safety Plan)	1,532,700	1,534,450	-	3,067,150
209 LTGO Bonds - 2017 (Residential Street)	558,400	557,750	-	1,116,150
210 Limited Tax G.O. Refunding Bonds, 2003	-	-	-	-
211 Limited Tax G.O. Refunding Bonds, 2008	-	-	-	-
212 Limited Tax G.O. Bonds, 2009A	376,876	376,914	-	753,790
214 Limited Tax G.O. Bonds, 2010A	-	-	-	-
216 Limited Tax G.O. Refunding Bonds, Valley Comm	-	-	-	-
217 2011 Refunding Bonds	-	-	-	-
218 2014 MPD	-	-	-	-
219 LTGO - PSP/PW Shops	1,691,050	1,689,550	-	3,380,600
220 2020 Bonds - refunding	513,029	516,579	-	1,029,608
221 2021 Bonds - refunding / PW Shops	1,114,540	571,716	-	1,686,256
2XX LTGO Debt Service Funds	6,179,070	5,636,334	-	11,815,404
213 UTGO Bonds	4,485,975	4,811,975	317,218	9,615,168
206 LID Guaranty	-	-	764,958	764,958
233 2013 LID	525,000	504,000	586,678	1,615,678
301 Land Acquisition, Recreation & Park Dev.	931,250	1,179,000	2,582,186	4,692,436
302 Facility Replacement	300,000	200,000	2,033,800	2,533,800
303 General Government Improvements	2,345,128	-	-	2,345,128
304 Fire Improvements	300,000	300,000	-	600,000
305 Public Safety Plan	1,319,019	1,317,849	101,689	2,738,557
306 City Facilities	2,700,000	3,000,000	556,324	6,256,324
401 Water	9,191,362	9,852,599	3,111,601	22,155,562
402 Sewer	12,549,000	13,570,855	7,914,388	34,034,242
411 Foster Golf Course	2,312,871	2,441,024	1,340,148	6,094,043
412 Surface Water	12,409,424	11,792,110	4,191,711	28,393,244
501 Equipment Rental	3,210,844	3,076,219	1,658,476	7,945,539
502 Insurance Fund	6,060,861	6,506,054	605,940	13,172,855
503 Insurance - LEOFF 1 Fund	444,438	460,558	54,741	959,737
611 Firemen's Pension	62,000	62,000	1,570,370	1,694,370
Total	\$ 154,349,069	\$ 166,281,432	\$ 54,636,423	\$ 375,266,924

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING THE 2023-2028 FINANCIAL PLANNING MODEL AND THE CAPITAL IMPROVEMENT PROGRAM FOR GENERAL GOVERNMENT AND THE CITY'S ENTERPRISE FUNDS.

WHEREAS, when used in conjunction with the biennial City budget, the Capital Improvement Program (CIP) and the Financial Planning Model for the period of 2023-2028 are resource documents to help plan directions the City will consider for the future; and

WHEREAS, the Financial Planning Model and Capital Improvement Program are not permanent fixed plans, but are guidelines or tools to help reflect future goals and future resources at the time budgets are being planned; and

WHEREAS, the commitment of funds and resources can only be made through the budget process;

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

Section 1. The City Council hereby adopts the 2023-2028 Financial Planning Model and accompanying Capital Improvement Program, incorporated by this reference as if fully set forth herein.

Section 2. A copy of the 2023-2028 Financial Planning Model and accompanying Capital Improvement Program shall be kept on file electronically by the City Clerk and accessible from the City's website in accordance with Washington State records retention schedule requirements and City policy, and shall be made available to the public upon request.

Section 3. The assumptions, revenues and expenditures will be reviewed and updated biennially, or as necessary, by the City Council.

Section 4. The detail of Capital Improvement Program projects will be reflected in the published Financial Planning Model and Capital Improvement Program 2023-2028.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2022.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Thomas McLeod, Council President

APPROVED AS TO FORM BY:

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

Office of the City Attorney