



City of Tukwila  
**Finance and Governance  
 Committee**

- ◆ **Kate Kruller, Chair**
- ◆ **Kathy Hougardy**
- ◆ **De'Sean Quinn**

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# AGENDA

**MONDAY, FEBRUARY 27, 2023 – 5:30 PM**

**THIS MEETING WILL BE CONDUCTED BOTH ON-SITE AT TUKWILA CITY HALL AND ALSO VIRTUALLY.**

**ON-SITE PRESENCE WILL BE IN THE DUWAMISH CONFERENCE ROOM  
 (2ND FLOOR, 6300 SOUTHCENTER BOULEVARD)**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS  
 MEETING IS: 1-253-292-9750, Access Code 313004383#**

**Click here to: [Join Microsoft Teams Meeting](#)**

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

Item	Recommended Action	
<b>1. BUSINESS AGENDA</b>		
a. Monthly General Fund update (December 2022). <i>Tony Cullerton, Deputy Finance Director</i>	a. Discussion only.	<b>Pg.1</b>
b. Capital facilities financing update. <i>Brandon Miles, Business Relations Manager</i>	b. Discussion only.	<b>Pg.7</b>
<b>2. MISCELLANEOUS</b>		

**Next Scheduled Meeting:** *March 13, 2023*



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## **INFORMATIONAL MEMORANDUM**

**TO: Finance & Governance Committee**

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

**CC: Mayor Ekberg**

**DATE: February 27, 2023**

**SUBJECT: December 2022 General Fund Departmental (Preliminary) Budget-to-Actuals Report**

### **Summary**

The purpose of the December 2022 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 December 2022 report is based on financial data available as of February 16<sup>th</sup>, 2023, for the period ending December 31, 2022. While this report includes the most recent financial activity, the numbers are preliminary. Interfund activity, accruals, and general ledger clean up are part of the year-end process and is currently being completed.

### **Expenditures**

In past we have reported actual spending compared to the allocated budget. With this being the final month of the year, our comparisons are with Actual Spending compared to the Annual Budget.

General Fund departmental expenditures totaled \$61.7 million through December, which is \$3.9 million less than the annual budget of \$65.6 million. Department 20, which is transfers to other funds, totaled \$10 million, which is \$820,994 less than the annual budget. Transfers to capital project funds are transferred to capital project funds as needed for cash flow purposes. Debt service transfers are done quarterly. Department 20 is projected to end the year under budget due to a handful of minor transactions. Examples include:

- Transfer to Fund 103 (Residential Streets) – General Governmental Improvements for ARPA grant revenue was \$82k under budget. This is due to less expenditures in fund 103 than expected.
- Transfer to Fund 104 (Arterial Streets) of \$400k was not done since it was not necessary. This was a budget transfer from the adopted budget, only required if the fund needed additional resources.
- Transfer to und 305 Public Safety Plan was \$167k less than budget. The cost of the PSRFA engine wasn't known when budget amendments were completed.

INFORMATIONAL MEMO

Page 2

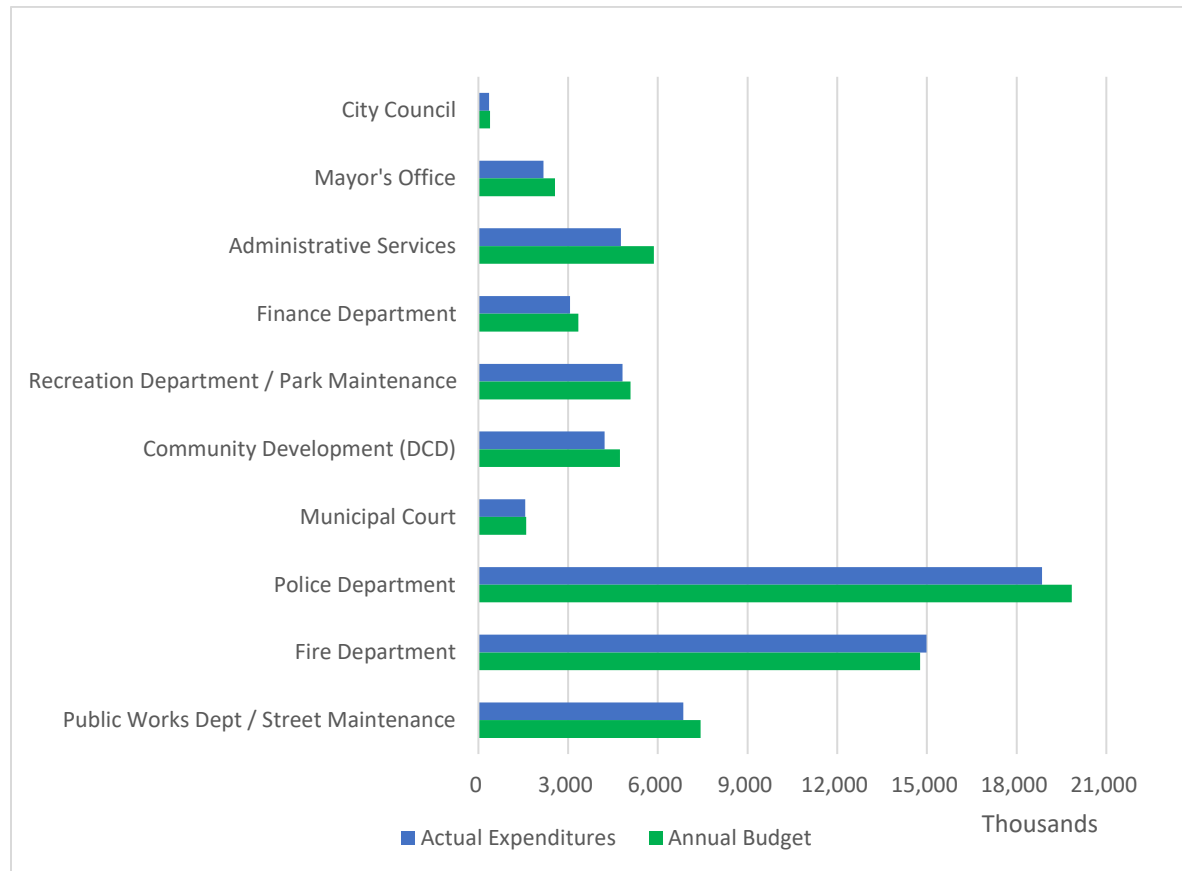
In total, the General Fund reported expenditures of \$71.8 million, which is equivalent to 94% of the annual budget at the completion of the year. All General Fund departments ended the year below their YTD annual budget with the exception of Fire. As projected and previously reported, Fire finished the year at 101.5% of budget resulting in an overage of \$226,122.

**Departmental Variances**

Year to Date Department Expenditures Compared to Annual Budget Through December 2022:

EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	% Expended
	2022	2022	2020	2021	2022		
	Annual	Allocated					
City Council	385,826	385,826	351,396	338,693	356,579	(29,247)	92.4%
Mayor's Office	2,565,927	2,565,927	2,280,110	2,152,513	2,181,540	(384,387)	85.0%
Administrative Services	5,869,141	5,869,141	4,751,297	5,005,893	4,775,222	(1,093,919)	81.4%
Finance Department	3,347,587	3,347,587	2,402,140	2,434,453	3,067,184	(280,403)	91.6%
Recreation Department / Parks Maintenance	5,083,108	5,083,108	4,273,655	4,225,108	4,821,837	(261,271)	94.9%
Community Development (DCD)	4,732,212	4,732,212	3,278,151	3,910,667	4,239,663	(492,549)	89.6%
Municipal Court	1,597,482	1,597,482	1,292,626	1,209,940	1,565,287	(32,195)	98.0%
Police Department	19,844,123	19,844,123	17,682,031	17,927,963	18,861,177	(982,946)	95.0%
Fire Department	14,772,033	14,772,033	12,850,658	13,471,379	14,998,155	226,122	101.5%
Public Works Dept / Street Maintenance	7,434,770	7,434,770	6,379,120	6,583,077	6,883,267	(551,503)	92.6%
<b>Subtotal</b>	<b>65,632,209</b>	<b>65,632,209</b>	<b>55,541,184</b>	<b>57,259,686</b>	<b>61,749,909</b>	<b>(3,882,300)</b>	<b>94.1%</b>
Non Departmental	10,885,754	10,885,754	4,862,449	5,644,523	10,064,760	(820,994)	92.5%
<b>Total Expenditures</b>	<b>76,517,963</b>	<b>76,517,963</b>	<b>60,403,633</b>	<b>62,904,209</b>	<b>71,814,669</b>	<b>(4,703,294)</b>	<b>93.9%</b>
						% of Year	100.0%

The graph below shows the Annual Budget to Actual Expenditures for the General Fund departments.



Per ordinance, the City adopts a biennial budget by fund. This is the required level of reporting for external authoritative sources of oversight such as of the Washington State Auditor’s office. This level of reporting is also utilized for purposes of debt issuance and by other stake holders. For managerial reporting and internal use, the City reports activity at the department level. This provides more details and additional information used by decision makers within the city and those charged with governess.

The table below reflects activity at the category level. While all five of the General Fund category totals ended the year under budget, there were several line-item categories that finished the year over budget. In an effort to provide an enhanced level of reporting, additional information is being provided for category line items that ended the year with totals reflecting a budget overage of more than 5% and \$50,000.

INFORMATIONAL MEMO

General Fund  
City of Tukwila  
General Fund Expenditures

Year-to Date as of Dec 31, 2022

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2022	2022	2020	2021	2022	Allocated Budget vs Actuals OVER/(UNDER)	%	Change	
	Annual	Allocated						2020/2021	2021/2022
511 Salaries	32,902,451	32,902,451	28,119,885	27,887,462	30,114,781	(2,787,670)	91.5%	2,227,319	8.0%
512 Extra Labor	584,220	584,220	131,789	206,427	404,565	(179,655)	69.2%	198,138	96.0%
513 Overtime	2,200,115	2,200,115	1,367,623	2,274,124	2,603,186	403,071	118.3%	329,062	14.5%
515 Holiday Pay	515,500	515,500	443,224	429,309	490,172	(25,328)	95.1%	60,863	14.2%
521 FICA	2,276,955	2,276,955	1,739,528	1,774,345	1,917,780	(359,175)	84.2%	143,436	8.1%
522 Pension-LEOFF	920,517	920,517	1,020,215	953,421	1,022,802	102,285	111.1%	69,381	7.3%
523 Pension-PERS/PSERS	1,494,905	1,494,905	1,662,169	1,518,973	1,469,268	(25,637)	98.3%	(49,704)	(3.3%)
524 Industrial Insurance	876,892	876,892	859,956	892,567	689,029	(187,863)	78.6%	(203,538)	(22.8%)
525 Medical & Dental	7,551,216	7,551,216	6,486,004	6,901,878	7,312,010	(239,206)	96.8%	410,132	5.9%
526 Unemployment	0	0	93,070	45,019	37,205	37,205	-	(7,813)	(17.4%)
528 Uniform/Clothing	8,525	8,525	4,734	6,732	9,085	560	106.6%	2,352	34.9%
<b>Total Salaries &amp; Benefits</b>	<b>49,331,296</b>	<b>49,331,296</b>	<b>41,928,197</b>	<b>42,890,258</b>	<b>46,069,884</b>	<b>(3,261,412)</b>	<b>93.4%</b>	<b>3,179,626</b>	<b>7.4%</b>
531 Supplies	950,636	950,636	567,124	668,288	607,654	(342,982)	63.9%	(\$60,634)	(9.1%)
532 Repairs & Maint Supplies	299,025	299,025	313,144	254,967	382,733	83,708	128.0%	\$127,766	50.1%
534 Resale Supplies	10,000	10,000	235	0	859	(9,141)	8.6%	\$859	Null
535 Small Tools	41,250	41,250	133,261	107,173	175,409	134,159	425.2%	\$68,236	63.7%
536 Technology Supplies	13,000	13,000	52,295	70,391	96,274	83,274	740.6%	\$25,882	36.8%
537 Fleet Supplies	3,000	3,000	12,749	3,787	6,687	3,687	222.9%	\$2,900	76.6%
<b>Total Supplies</b>	<b>1,316,911</b>	<b>1,316,911</b>	<b>1,078,807</b>	<b>1,104,606</b>	<b>1,269,615</b>	<b>(47,296)</b>	<b>96.4%</b>	<b>\$165,010</b>	<b>14.9%</b>
541 Professional Services	7,575,918	7,575,918	6,228,735	6,683,905	6,697,140	(878,778)	88.4%	\$13,235	0.2%
542 Communications	458,739	458,739	481,591	448,927	515,745	57,006	112.4%	\$66,818	14.9%
543 Professional Development	252,921	252,921	404,980	394,404	390,831	137,910	154.5%	(\$3,573)	(0.9%)
544 Advertising	40,250	40,250	19,183	21,629	44,856	4,606	111.4%	\$23,227	107.4%
545 Rentals	478,484	478,484	549,703	426,952	320,578	(157,906)	67.0%	(\$106,374)	(24.9%)
546 Technology Services	348,291	348,291	783,678	888,918	807,405	459,114	231.8%	(\$81,512)	(9.2%)
547 Utilities	2,034,285	2,034,285	1,820,212	2,251,250	2,363,986	329,701	116.2%	\$112,735	5.0%
548 Repairs & Maint Services	2,185,367	2,185,367	1,801,240	1,768,899	2,348,284	162,917	107.5%	\$579,385	32.8%
549 Miscellaneous	879,747	879,747	439,364	243,434	620,147	(259,600)	70.5%	\$376,713	154.7%
<b>Total Services</b>	<b>14,254,002</b>	<b>14,254,002</b>	<b>12,528,686</b>	<b>13,128,317</b>	<b>14,108,972</b>	<b>(145,030)</b>	<b>99.0%</b>	<b>980,655</b>	<b>7.5%</b>
561 Capital Outlay-Land	0	0	0	0	893	893	-	0	-
563 Other Improvements	0	0	0	12,331	0	0	-	0	-
564 Machinery & Equipment	730,000	730,000	5,495	124,174	300,544	(429,456)	41.2%	176,370	142.0%
<b>Total Capital Outlay</b>	<b>730,000</b>	<b>730,000</b>	<b>5,495</b>	<b>136,506</b>	<b>301,437</b>	<b>(428,563)</b>	<b>41.3%</b>	<b>164,932</b>	<b>120.8%</b>
750 Transfers Out	10,885,754	10,885,754	4,862,449	5,644,523	10,064,760	(820,994)	92.5%	4,420,237	78.3%
<b>Total Non Operating Expense</b>	<b>10,885,754</b>	<b>10,885,754</b>	<b>4,862,449</b>	<b>5,644,523</b>	<b>10,064,760</b>	<b>(820,994)</b>	<b>92.5%</b>	<b>4,420,237</b>	<b>78.3%</b>
<b>TOTAL EXPENDITURES</b>	<b>76,517,963</b>	<b>76,517,963</b>	<b>60,403,633</b>	<b>62,904,209</b>	<b>71,814,669</b>	<b>(4,703,294)</b>	<b>93.9%</b>	<b>8,910,460</b>	<b>14.2%</b>
						% of Year	100.0%		

**Category:** Overtime

**Variance:** 18.3% and \$403,071

**Explanation:** We have been tracking Overtime throughout the year and projected this line item to end the year over budget. The overage is offset by the reduction in Salaries. The relationship can be explained by unfilled positions leading to a reduction in Salaries and resulting in increases to Overtime due to existing staff maintaining service levels with reduced staff.

**Category:** Pension – LEOFF

**Variance:** 11.1% and \$102,285

**Explanation:** The LEOFF Pension rate is a calculation of inputs shared between the State, employer, and employee. The budget determination takes into consideration the calculated rate with projected salaries. A primary contribution to the \$69,381 overage was the reestablishment of minimum staffing levels for Fire that was supported by ARPA funding, which took place after the budget was established. Due to the Salaries & Benefit Category trending under budget, a budget amendment was not considered for this line item.

**Category:** Total Supplies

**Variance:** Under budget

**Explanation:** The Total Supplies category ended the year under budget. Three accounts within the Supplies category exceeded the budget by more than 5% and \$50,000. This is due to the classification of budget allocation. The three accounts that exceeded budget (Repairs & Maintenance Supplies, Small Tools, & Technology Supplies) combined, totaled \$298,075 over budget. This is offset by Supplies (531) finishing the year \$349,283 under budget, suggesting that a portion of the three account's budget was allocated to Supplies.

**Category:** Total Services

**Variance:** Under budget

**Explanation:** The Total Services category ended the year under budget. Four accounts within the Services category exceeded the budget by more than 5% and \$50,000. This is attributed to a budget classification allocation. The five accounts that exceeded budget (Communications, Professional Development, Technology Services, Utilities, and Repairs & Maintenance Services) combined, totaled \$1,146,648 over budget. This is offset by Professional Services and Miscellaneous ending the year \$919,275 & \$267,708 respectively, under budget, as a result of a portion of the four account's budget being allocated to Professional Services and Miscellaneous.







## INFORMATIONAL MEMORANDUM

TO: Finance and Governance

FROM: Brandon Miles, Business Relations Manager/Property Management Lead  
Pete Mayer, Parks and Recreation Director  
Vicky Carlsen, Finance Director  
David Cline, City Administrator

CC: Mayor Ekberg

DATE: February 21, 2023

SUBJECT: Public Works Operations Campus Phase 2 and Future Capital Facilities Planning

### **ISSUE**

This informational memo provides a financing update on the implementation of the public safety plan, including Public Works Shops Phase 2 (hereinafter "Public Works Phase 2") design contract, and to inform the City Council on the next phases of city facilities planning.

The goal of this memo is to outline the funding that the City Council has budgeted for the design of the Public Works Phase 2 and to discuss long term capital facilities planning.

### **BACKGROUND**

The following provides a brief overview of the City's recent investment in public facilities over the last 15 years.

#### Development of the Public Safety Plan

In 2008 the City completed a comprehensive seismic study of city buildings. This report found that several buildings, including fire stations and public works shops, would be unusable after an earthquake. It was this study that was the impetus for the City to begin examining how to invest in upgraded facilities, specifically public safety buildings (fire stations, police, courts, emergency management and public works functions). This seismic report was recently updated in 2022.

In 2015, after a two-year process, the City Council was presented a report entitled, "*Investing in Tukwila: Essential Governmental Services Facilities Plan 2015-2040.*" The plan recommended the construction and/or replacement of several public safety buildings, including a new justice center to house police, emergency management and courts; the replacement of three fire stations; and a combined public works operations facility. The plan also included recommendations for City Hall and the 6300 building.

At the end of 2015 the community Facilities Steering Committee presented its final report to the City Council, which recommended a public safety facilities ballot measure. In 2016 the City Council adopted the "Public Safety Plan" to prioritize the replacement of buildings for first responders and fire apparatus, which included:

- the construction of three replacement fire stations,
- a new justice center (police, emergency management and court),
- a consolidated public works shop, and
- a funding plan for 20 years of fire apparatus and equipment.

In November 2016 Tukwila voters approved the public safety plan bond measure with 60.5% approval. Funds from the bond measure would be used for the new fire stations, fire equipment

and apparatus and the justice center. Funding for the public works facilities would come from a variety of sources, including general fund and utility funds.

In 2018, this financing and expenditure plan was updated with the D-20 Model, discussed further below.

In 2018 the City began to identify and acquire land for the public safety plan, based upon the recommendations of the community Siting Advisory Committee. Existing city owned land was used for two of the new fire stations; the City assembled land on Tukwila International Blvd for the justice center; and the City acquired three parcels in the north end of the City for a consolidated public works shop. Public Works Operations Campus Phase 1 (hereinafter “Public Works Phase 1”) entailed the construction of the west side of the property and moving the City’s fleet and facilities functions from George Long to the new site. Public Works Phase 2 will be the work on the east side of the property and will eventually allow the City to move the street and utilities functions from the Minkler Shops to the site.

In 2019 construction of the two replacement fire stations and the justice center commenced. The City Council also adopted Phase 1 of the Public Works operations campus.

The Justice Center and Fire Station 51 went operational in 2020 and Fire Station 52 became operational in 2021. The Fleet and Facilities building became operational in 2022 (Public Works Phase 1). In 2022, the City Council authorized the test to fit work for the eastern portion of the Public Works Operations Campus, which will be concluded in March of 2023. Funding for design of the Public Works Operations Campus was adopted in the 2023-2024 Budget and construction costs were included the 2023-2028 Capital Improvement Plan starting in 2025.

#### Financing the Public Safety Plan- the D-20 Model

In 2018, due to cost escalation from market conditions and initial estimates based on incomplete data, the City created options for the public safety plan. Throughout the first half of 2018, the City Council’s Finance Committee, together with staff, deliberated on a variety of financing options (A, B, C1, C2 and D) to support the Public Safety Plan. In June 2018, the City Council adopted their recommendation of option D-20 which directed the:

- Construction of two new fire stations (51 & 52) and the Justice Center.
- Dedication of \$30 million for land acquisition, building upgrades and master planning for public works shops.
- Fire apparatus and equipment funding for ten years.
- Issuance of 20-year bonds.
- Use of a variety of financial sources (e.g. Limited Term General Obligation Bonds (LTGO), Fire impact fees, land sales and one-time funds, ongoing REET 1, General Fund,)

This long-range model (2018-2039) has been updated several times to reflect changing revenues and expenditures.

1. **All major projects in the D-20 model are now complete as originally anticipated in 2018.** The following is a basic overview of the revenue and expenditures to date in the D-20 Model. The work outlined below includes all land acquisition costs (Justice Center, Fire Station 54, and Public Works Operations Campus) construction to date for Fire Stations 51 and 52, Justice Center and Public Works phase 1 (fleet and facilities); interim improvements on Minkler; planning and design for the Teen/Senior Intergenerational Center; and planning and test to fit associated with Public Works Phase 2. The only remaining items are finishing the roof and siding updates for the Public Works Phase 1 and the final payment for the 2022 fire engine, which is expected in 2025.
2. **The D-20 Model accounted for all financial aspects of these projects.** Data incorporated two capital project funds, 305 and 306 as well as all debt service funds and other funds that contributed funding sources (general fund, 301, utility funds). Note, revenues are forecasted to be higher than expenditures due to financing costs.
3. **Other Changes.** Sales Tax Mitigation funds were significantly reduced from 2019 to 2020 due to the loss of ongoing Sales Tax Mitigation payments. Council adopted CARES funding for project costs associated with COVID supply chain delays and added Teen/Senior Center planning. Additional general fund and utility fund payments were adopted in 2022 to continue the public safety plan efforts for a consolidated public works shop.
4. **Assuming a successful annexation vote, capital acquisition responsibilities for future fire equipment and apparatus will shift to PSRFA in 2025.** The Fire Authority would then use its fire benefit charge for future purchases to serve the Tukwila community.
  - a. Portion of the proceeds from completed land sales (Travelers Choice and Health Point) and approved (still pending) George Long sale are currently budgeted to support remaining public safety plan financing requirements as well as Public Works Phase 1 and 2.
  - b. The updated model (December, 2022) removes future land sales.
  - c. Future City Council direction will be needed on use of land revenue (e.g. lease or sale) for capital facility planning.

<b>D-20 MODEL FINANCIAL SNAPSHOT 2018-2022</b>				
	Original	Updated	Updated	Updated
	June 2018	Dec 2019	Dec 2020	Dec 2022
<b>EXPENDITURES</b>				
<b>Fund 305: Public Safety Plan</b>	<b>\$ 114,730,235</b>	<b>\$ 122,627,139</b>	<b>\$ 120,510,023</b>	<b>\$ 109,804,786</b>
Justice Center	\$ 68,570,005	\$ 66,864,711	\$ 65,747,697	\$ 65,995,940
Fire Stations	\$ 30,334,435	\$ 39,936,632	\$ 38,936,530	\$ 37,791,730
Fire Equipment/Apparatus/Financing	\$ 15,825,796	\$ 15,825,796	\$ 15,825,796	\$ 6,017,117
<b>Fund 306: City Facilities</b>	<b>\$ 30,000,000</b>	<b>\$ 35,700,000</b>	<b>\$ 36,200,000</b>	<b>\$ 43,150,491</b>
PW Shops Phase I	\$30,000,000	\$35,700,000	\$35,700,000	\$36,405,462
Minkler Improvements			\$500,000	\$500,000
Teen/Senior Center				\$395,030
PW Operations Campus Phase 2				\$5,850,000
<b>TOTAL</b>	<b>\$144,730,235</b>	<b>\$158,327,139</b>	<b>\$156,710,023</b>	<b>\$152,955,277</b>
<b>REVENUES</b>				
Voted Bonds (UTGO)	\$ 77,385,000	\$ 77,997,026	\$ 77,997,026	\$ 77,997,026
Councilmanic Bonds (LTGO)	\$ 40,000,000	\$ 45,500,600	\$ 45,500,600	\$ 45,500,600
Fire Impact Fees (Tukwila South- FS 51)	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000
Fire Impact Fee- ongoing	\$ 8,517,000	\$ 9,817,000	\$ 9,497,000	\$ 8,244,202
Fund 301 Transfer- REET Funds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000
Land Sales	\$ 15,038,000	\$ 13,053,090	\$ 13,518,000	\$ 3,014,845
REET 1 - Ongoing Support	\$ 12,813,091	\$ 12,813,091	\$ 12,852,409	\$ 11,000,000
Sales Tax Mitigation		\$ 4,017,425	\$ 665,909	\$ 665,909
Cares Act			\$ 300,000	\$ 497,247
Investment Earning	\$ 707,845	\$ 1,480,824	\$ 1,725,661	\$ 1,626,356
Project Contribution (TeenSenior)				\$ 600,000
Project Contribution (General Fund)	\$ 141,854	\$ 2,991,854	\$ 2,991,854	\$ 5,950,954
Project Contribution (Utility Fund)	\$ 141,854	\$ 3,791,854	\$ 4,291,854	\$ 7,791,854
<b>TOTAL</b>	<b>\$ 162,494,644</b>	<b>\$ 179,212,764</b>	<b>\$ 177,090,313</b>	<b>\$ 171,138,993</b>

Completing the Public Safety Plan – Design and Construction of Public Works Phase 2

The last remaining item in the Public Safety Plan is Public Works Phase 2 and to move city operations from the Minkler Shops and the Longacres site. The City is still providing critical public works activities at the Minkler Shops. As part of the Public Safety Plan the City identified a goal to move all critical facilities out of flood prone areas. Minkler Shops is located directly behind a levee that has significant maintenance concerns. There is a risk of levee failure in the event of a high-water event or earthquake.

Public Works has moved from George Long into Public Works Phase 1. On November 1, 2023 the City takes ownership of the eastside of the property and the Council adopted a lease agreement until March 1, 2025 with the current tenant. The City Council authorized the “test-to-fit” work which developed design options for the entire combined public works site. The “test-to-fit” will provide the City better cost estimates for the final phase of the project.

In March 2023, the “test-to-fit” will be completed and the City Council will be briefed on cost estimates for the full buildout and completion of Public Works Phase 2. The City Council will be asked to move forward with design. The 2023-2024 budget includes \$5.85 million for the City to complete the design work and permitting for Public Works Phase 2, with construction anticipated to begin in May of 2025.

The Council adopted “2023-2028 Financial Planning Model and Capital Improvement Program” includes \$54 million for construction costs, with a 50/50 split between the utility funds and general fund.

### **Future Capital Facilities Planning Efforts**

Over the last 15 years the City has made significant investments in its facilities and conducted numerous studies and assessments. New facilities have replaced structures that were more than 40 years old, and which had long exceeded their functional usefulness. Prior to the 2015 Facilities Plan, the City lacked an overall comprehensive strategy to address City facilities and future facility planning. This reality has led to inefficient and, in some cases unsafe facilities. The Public Safety Plan developed and executed in 2016 resulted in first responders moving into new, efficient buildings that allow for the better provision of services for our community.

The next phase of capital facilities planning is getting underway that will include a new facilities assessment and space utilization study, a facilities maintenance plan and a comprehensive real estate strategy. With the critical public safety infrastructure needs being met through the completion of the Public Safety Plan, this effort will focus on remaining public facilities that include:

- 6300 Building
- City Hall
- Tukwila Community Center
- Parks Maintenance Shop, and
- Foster Golf Links Clubhouse.

Together, these actions will be reflected in an updated Capital Facilities Element, a component of the City’s Comprehensive Plan. This additional work occurring over the biennium will inform the 2025-2026 budget development process and will have an impact on future capital facilities decisions. The following is a list of planning efforts, most of which are funded in the 2023-2024 Budget:

1.
  - a. Updated Facilities Assessment and Space Needs (2023-2024)  
Study will follow up on the 2013-2015 study to examine facilities and space needs for city operations. The study will need to take into the account the impacts of the pandemic and the ability of the City provide services in a hybrid model.
  - b. Facilities Maintenance Plan (2023)  
When maintenance is deferred or delayed it can increase the overall cost of maintaining and operating facilities. Additionally, poorly maintained facilities and their systems can have higher operating costs. The Facilities Maintenance Plan will include a schedule for the maintenance and replacement of critical components of facilities (HVAC, roof, etc.). This Plan will also allow the City to make an annual budget reserve allowance for these future costs.

*2023-2024 Budget: included in \$350,000 in Fund 303*

2. Comprehensive Plan Update (2023-2024)  
The City has started the Comprehensive Plan Update, which includes a required Capital Facilities Element. The City will need to update the Element that was included as part of

the last Comprehensive Plan process. The Capital Facilities Element lays the groundwork for the Capital Facilities Plan.

*2023-2024 Budget: Several budgeted and grant funded programs across departments including:*

- *\$130,000 grant funded project for middle housing.*
- *\$300,000 + Transportation Element of Comprehensive Plan.*

3. Financial Sustainability Plan (2023-2024)

The financial sustainability plan is intended to be a comprehensive review of all City funding and needs across the City; including capital and operational needs. The goal is to gain a better understanding of how to make policy decisions that set the City up for long-term financial success. The plan is to complete this project in time for the 2025-2026 biennial budget process so that the results of this study can be utilized as another tool in the toolbox for decision making.

*2023-2024 Budget: \$200,000 in the Finance Department budget.*

4. Real Estate Strategy (2023-2024)

The City would benefit from a comprehensive understanding of its current and future real estate needs. A real estate strategy can help to identify how the City can best utilize existing land it owns, monetize its land to help funding city operations, and to identify possible future long term real estate needs.

*2023-2024 Budget: No funds budgeted.*

## **DISCUSSION**

There are some key takeaways from the past fifteen years of efforts around facility planning which has created a good foundation for future planning.

- The 2008 Seismic Study (updated in 2022) began the city's facility assessment process.
- The 2015 Facility Plan laid the groundwork for a comprehensive facility planning effort.
- The 2016 Public Safety Plan and the D-20 Model (2018) has soundly guided the city to provide safe, efficient buildings for first responders.
- In 2023 all major projects are complete as planned from the D-20 model.

This foundation has helped move the City to the next phase of facility planning efforts which include:

- Public Works Shops Phase 2 is ready to move to design after the successful completion of the "Test-to-Fit" phase. This effort is funded in the 2023-2024 Budget and planned for Council action in March-April 2023.
- With the expected annexation to the PSRFA, acquisition of future fire apparatus will shift to the PSRFA, which would free up future land sales for other public safety plan and facility needs.
- Several significant planning efforts will be undertaken in 2023-2024 in preparation for the 2025-2026 Budget Process.
- The financing and tracking of what remains to be implemented as part of the Public Safety Plan (Fund 305) can now be efficiently managed through the City's new Enterprise Resource Program (ERP) financial system.

- With the retiring of Fund 305 and the pending update to the City's Capital Facilities Plan, future projects will be reflected in the 306 Fund- City Facilities with each project independently accounted for.

#### Next Steps

Staff will be preparing a series of briefings and future actions for Committee and Council consideration.

#### **Public Works Shops Phase 2 Design**

In March 2023, the council will be reviewing the 'test to fit' concept options for the entire combined public works site with associated costs. Authorization will be sought to enter into a design contract that will subsequently produce progressive stages of design for the project (schematic design, design development, and construction documents)- each stage offering Council an "off-ramp"- an opportunity to refine or modify their guidance.

#### **Facility Planning Efforts and Long Term Capital Financing (2023-2024)**

The City Council will be reviewing and authorizing contracts for the budgeted planning efforts in 2023, including the facility plan and financial sustainability plan. The next phases of capital facilities and financial sustainability planning will inform the development of the 2025-26 budget.

**As part of the 2025-26 budget process the City Council will need to decide on what to do with land sale revenue.**

#### **FINANCIAL IMPACT**

None at this time. Future decisions will include using budgeted resources for design and planning efforts.

#### **RECOMMENDATION**

Discussion only.

