



City of Tukwila
**Finance and Governance
 Committee**

- ◆ De'Sean Quinn, Chair
- ◆ Tosh Sharp
- ◆ Jovita McConnell

Distribution:
 D. Quinn Mayor McLeod
 T. Sharp M. Wine
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AGENDA

MONDAY, MARCH 25, 2024 – 5:30 PM

ON-SITE PRESENCE: TUKWILA CITY HALL HAZELNUT CONFERENCE ROOM 6200 SOUTHCENTER BOULEVARD	REMOTE PARTICIPATION FOR THE PUBLIC: 1-253-292-9750, ACCESS CODE: 441656166# Click here to: Join Microsoft Teams Meeting For Technical Support: 1-206-433-7155
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Item	Recommended Action	Page
1. BUSINESS AGENDA		
a. An ordinance updating the City Tax Codes. <i>Adam Schierenbeck, Sr. Fiscal Coordinator – B&O Tax</i>	a. Forward to 4/8 C.O.W. and 4/15 Regular Mtg.	Pg.1
b. Monthly General Fund Expenditure update. (February 2024) <i>Tony Cullerton, Deputy Finance Director</i>	b. Discussion only.	Pg.33
c. 2023 3rd Quarter Financial Report. <i>Tony Cullerton, Deputy Finance Director</i>	c. Discussion only.	Pg.41
d. American Rescue Plan Act (ARPA) recap. <i>Julie Hatley, ARPA Funds Analyst</i>	d. Discussion only.	Pg.77
2. MISCELLANEOUS		

Next Scheduled Meeting: *April 22, 2024*





INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Adam Schierenbeck, Senior Fiscal Coordinator

CC: Mayor McLeod

DATE: March 18, 2024

SUBJECT: City Taxes - TMC Amendments

ISSUE

Staff are proposing various housekeeping-type amendments to administer the admission, commercial parking, gambling, and utility tax more effectively. These proposed amendments include, but are not limited to, applying uniform penalty and interest rates; applying a uniform lookback period for tax assessments and refunds; and providing uniform enforcement provisions, confidentiality provisions, and the ability for the Finance Director to establish tax rules. Staff are also proposing to add business and occupation (B&O) exemptions for public utilities that were previously intended to apply, as well as codify an admission tax exemption for the activity of bowling and related equipment rental (e.g., bowling balls and shoes). Finally, staff recommend amending certain definitions to remove ambiguity and provide greater clarity and consistency.

BACKGROUND

On December 4, 2023, the City Council passed [Ordinance No. 2727](#), establishing additional B&O tax exemptions and additional administrative provisions that apply to the City's B&O tax, to aid the City in equitably administering and enforcing the tax. *See generally* chapters 3.26 (B&O Tax) and 3.27 (B&O Tax Administrative Provisions) of the Tukwila Municipal Code (TMC). Since the passage of Ordinance No. 2727, an oversight was found that makes certain utility businesses subject to both B&O tax and utility tax. It is recommended that the TMC be amended consistent with the model B&O ordinance so that public utilities subject to the utility tax are exempt from B&O tax.

In addition to the B&O tax, the City also imposes other taxes, such as admission and entertainment tax (chapter 3.20 TMC), commercial parking tax (chapter 3.48 TMC), gambling activities tax (chapter 3.08 TMC), and utility tax (chapter 3.54 TMC). These tax chapters currently lack adequate enforcement provisions and are silent on issues that are currently addressed in the B&O tax administrative code and would benefit from sharing the same administrative provisions as the B&O tax.

On November 28, 2022, when the City Council initially adopted the B&O tax and related administrative provisions by [Ordinance No. 2689](#), a financial hardship appeal provision was included that deviated from the model ordinance. Upon further review by the City Attorney's Office, it has been determined that it would be difficult for the Finance Director to effectively and consistently administer such a provision. Therefore, it is recommended that the financial hardship provision be repealed.

Finally, upon reviewing the definitions by which tax is levied on admission and entertainment charges, commercial parking, and utility activities, it has also been determined that there is ambiguity within some of the existing definitions, as well as ambiguity relating to how cellular

telephone service revenues should be allocated to the City. This review further concluded that an admission tax exemption should be specifically granted for bowling activities to align with the City's past practice and the common practice of neighboring cities who also exempt bowling activities and related rental fees from the admission and entertainment tax.

DISCUSSION

Staff are proposing the following code amendments to administer the admission tax, commercial parking tax, gambling tax, and utility tax more effectively. The proposed amendments also will align certain definitions and exemptions with other Washington cities and Tukwila's past practice administering the various tax codes.

Definition Changes

The following definition changes are recommended, which are common to neighboring cities that levy similar taxes, remove ambiguity, and provide corrections to outdated terminology.

1. Admission & Entertainment Tax:
 - a. Amend the definition of "admission charge" to include those activities for which "recreation" or amusement is provided, as provided in RCW 35.21.280, and to clarify the activities subject to tax as provided for in the existing definitions.
 - b. Adding other definitions to clarify the activities and organizations for which the tax does or does not apply.
2. Commercial Parking Tax: Amend the definitions to clarify the activities to which the commercial parking tax applies.
3. Utility Tax: Provide updated definitions for "telephone business." Equivalent changes were made by the State of Washington in 2007 to conform Washington's tax structure to the Streamlined Sales and Use Tax Agreement and, in 2002, to the federal Mobile Telecommunications Sourcing Act for the purpose of establishing uniform nationwide sourcing rules for state and local taxation of mobile telecommunication services (see [SB 6539 – 2001-02](#)). At the time, the state legislature recognized that the clarifications are likely revenue-neutral at the state level.

Additional Exemptions

The following additional exemptions are recommended, as they are common to neighboring cities that impose similar taxes. In the case of public utilities subject to utility taxes and/or franchise fees, the exemption from B&O tax is mandated by the B&O tax model ordinance.

- Admission tax exemption for participating in bowling and related equipment rental.
- B&O tax exemption for gross income derived from public utility activities on which a franchise fee is imposed by the City (e.g., water and sewer utilities), and for solid waste collection activities that are subject to the City's utility tax.

Tax Administrative Provisions

The Washington B&O tax model ordinance provides several administrative provisions that were previously enacted to effectively administer and enforce the B&O tax. These same administrative provisions are commonly used by other cities to administer other city-imposed taxes. The City hereby seeks to expand the current B&O tax administrative provisions to the admission & entertainment tax, commercial parking tax, gambling activities tax, and utility tax.

Where similar provisions currently exist within the various tax chapters in Title 3 TMC, staff is recommending that these be repealed to avoid ambiguity, as they will be covered in chapter 3.27 TMC, Administrative Provisions. This will provide for the following consistency across most tax types:

- Establish a uniform lookback period for tax assessments and refunds.
- Establish uniform penalty and interest rates for delinquent taxes (and tax refunds). This includes uniform provisions by which late return penalties may be waived by the City.
- Establish uniform rules regarding successorship, and tax liability of a successor.
- Establish a uniform policy regarding required record-keeping of persons engaging in business in the City, including the requirement to furnish any records or information requested by the City to verify a tax liability, and related enforcement provisions.
- Establish a uniform administrative appeal procedure, and the right to judicial review if the City or the taxpayer disagree with the decision of the hearing examiner.
- Grant the Finance Director the authority to adopt, publish, and enforce tax rules and regulations, which helps to ensure transparency and reduce tax reporting errors.
- Grant the Finance Director the authority to enter into agreements with other Washington cities that impose similar taxes. This helps to ensure that taxpayers are not taxed twice on the same amount in multiple cities and allows for joint audits to ensure that tax is being applied consistently between cities.
- Specify that the taxes are in addition to other city-imposed taxes and license fees, as applicable.
- Maintain confidentiality of tax information. This ensures that tax information, such as tax returns, correspondence, and records obtained in an audit is not subject to public disclosure. The City is still permitted to share basic information, such as a business's name, address, and open/closed status, and to publish general statistics.
- Specify that it is unlawful to fail to comply with the requirements of the taxes levied in Title 3 TMC, and a violation constitutes a gross misdemeanor. This provision is intended to prevent tax evasion, misrepresentation, and continuing to operate with a revoked business license and/or delinquent back taxes owing.
- Specify that the Director has authority to revoke a business license for failure to comply with the tax provisions in Title 3 TMC, according to the suspension and revocation procedures set forth in Chapter 5.04 TMC.
- Grant the Finance Director authority to enter into a closing agreement with a taxpayer, to avoid litigation in cases in which the outcome is largely uncertain.
- Grant the Finance Director authority to charge off uncollectible amounts due based on established criteria.

Additional Provisions

In addition to the changes noted above, staff are recommending that the following provisions be added to or removed from the City's tax codes, to align with neighboring cities:

- Provide that unpaid gambling tax and associated penalties and interest become a lien upon personal and real property used in the gambling activity in the same manner as provided for under [RCW 84.60.010](#).
- Remove the requirement for persons to submit a copy of the business license application filed with the Washington State Gambling Commission prior to engaging in gambling activities. Chapter 3.08 already provides that persons must furnish a copy of the license issued by the State Gambling Commission prior to engaging in business within the City.
- Provide that commercial parking tax is held in trust by the business responsible for collecting and remitting the tax, and the amount of tax must be disclosed to the person paying the tax.
- Provide a specific method by which gross income from cellular telephone service is allocated to the City. While an equivalent result would likely apply absent this addition, it provides clarity for businesses and is a common provision found among neighboring cities.
- Repeal the financial hardship appeal provision from the B&O tax administrative provisions. This code section was added at the time the B&O tax was adopted in 2022. It deviated from the model ordinance and, upon further review by the City Attorney's Office, it has been determined that such a provision would be difficult for the Finance Director to effectively and consistently administer.

FINANCIAL IMPACT

The code changes will not have a significant financial impact on tax revenues. Although B&O tax exemptions are being added for water utilities and solid waste collection businesses, these businesses previously have been presumed to be exempt from B&O tax on account of the model ordinance. The financial impact of the changes to penalties and interest for admission, gambling, parking, and utility tax cannot be determined based on the information available.

RECOMMENDATION

Review and respond to the proposed redlined code changes. The Council is being asked to consider this item at the April 8, 2024 Committee of the Whole meeting and adopt the ordinance at the subsequent April 15, 2024 Regular Meeting.

ATTACHMENTS

- A. Draft Ordinance

DRAFT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON; AMENDING AND REPEALING VARIOUS ORDINANCES AS CODIFIED IN VARIOUS SECTIONS OF TUKWILA MUNICIPAL CODE (TMC) CHAPTERS 3.08, “GAMBLING ACTIVITIES TAX,” 3.20, “ADMISSIONS AND ENTERTAINMENT TAX,” 3.27, “BUSINESS AND OCCUPATION ADMINISTRATIVE PROVISIONS,” 3.48, “COMMERCIAL PARKING TAX,” 3.50, “UTILITY TAX,” AND 3.51, “SOLID WASTE UTILITY TAX”; RETITLING TMC CHAPTERS 3.20 AND 3.27; ESTABLISHING AND APPLYING ADMINISTRATIVE AND OTHER PROVISIONS UNIFORMLY AMONG THE VARIOUS BUSINESS TAXES; CLARIFYING THE ACTIVITIES SUBJECT TO ADMISSION TAX, BUSINESS AND OCCUPATION TAX, PARKING TAX, AND UTILITY TAX; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on November 28, 2022, the City Council adopted Ordinance No. 2689 establishing a business and occupation (B&O) tax on business activities within the City; and

WHEREAS, on December 4, 2023, the City Council adopted Ordinance No. 2727, establishing additional administrative provisions that aid the City in administering and enforcing the B&O tax; and

WHEREAS, the City imposes other business taxes, including a tax on gambling activities, admission and entertainment activities, commercial parking, and utilities, for which applying the same administrative provisions would serve to meet the City’s own objectives and equitably and consistently administer these taxes; and

WHEREAS, the City seeks to exempt all public utility activities that are subject to a utility tax or a franchise fee within the City from the B&O tax levied in Tukwila Municipal Code (TMC) Chapter 3.26, “Business and Occupation Tax,” thereby establishing uniformity with other Washington cities; and

WHEREAS, the City seeks to clarify the activities to which the admission and entertainment tax, commercial parking tax, and telephone utility tax applies within TMC Chapters 3.20, 3.48, and 3.50, respectively; and

WHEREAS, the City seeks to develop consistency among the various tax provisions in TMC Title 3, "Revenue and Finance," to enhance clarity and consistency of the tax requirements;

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

Section 1. Regulations Established. A new TMC Section 3.08.015 is hereby established to read as follows:

3.08.015 General Administrative Provisions Apply

The administrative provisions contained in TMC Chapter 3.27 shall be fully applicable to the provisions of this chapter, except as expressly stated to the contrary herein. The administration and collection of tax imposed by this chapter shall be by the Finance Director and in strict compliance with the rules and regulations, as may be adopted or amended by the Washington State Gambling Commission from time to time.

Section 2. TMC Section 3.08.020 Amended. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.020, "License Required – Nuisance Designated," is hereby amended to read as follows:

3.08.020 Filing Declaration of Intent~~License Required – Nuisance Designated~~

For the purpose of identifying who shall be subject to the tax imposed by this chapter, any person, association, or organization intending to conduct or operate any gambling activity as authorized by chapter 9.46 RCW, as now existing and hereafter amended, shall, prior to commencement of any such activity, file with the Finance Director a sworn declaration of intent to conduct or operate such activity, together with a true and correct copy of the license issued by the Washington State Gambling Commission in accordance with chapter 9.46 RCW. ~~No gambling activity of any kind or nature shall be permitted without a valid, subsisting license issued by the Washington State Gambling Commission as provided by law; and any person, firm or corporation who conducts any such gambling activity without such license shall be guilty of a misdemeanor. The conducting of any such gambling activity without a license or beyond the scope specified in such license as required under State laws is a common nuisance and shall be subject to abatement by injunction or as otherwise provided by law.~~

Section 3. Regulations Established. A new TMC Section 3.08.025 is hereby established to read as follows:

3.08.025 Definitions

The definitions contained in TMC Chapter 3.27 shall have full force and application with respect to taxes imposed under the provisions of this chapter, except as expressly stated to the contrary herein or defined otherwise in chapter 9.46 RCW.

For purposes of this chapter, “social card game business” means any premises or facility open to the public and engaged in the business of operating a social card room for a period of 30 days. For purposes of this section, the 30 days are not required to be consecutive days. After 30 days of operation, the tax rate provided in TMC Section 3.08.030(4) applies and that rate shall be paid thereafter beginning with the following calendar quarter.

Section 4. TMC Section 3.08.030 Amended. Ordinance Nos. 1809 §1 (part), 2349 §2, and 2590 §1 (part), as codified at TMC Section 3.08.030, “Tax Rates,” is hereby amended to read as follows:

3.08.030 Tax LeviedRates

A. Pursuant to RCW 9.46.110, ~~as it exists or may hereafter be amended and RCW 9.46.120, as amended by the Laws of Washington, effective July 27, 1997,~~ there is levied upon all persons, associations and organizations operating with the City who have been duly licensed by the Washington State Gambling Commission, as authorized by law, the following tax:

1. ~~For **Bingo games and raffles:** To conduct or operate any~~ bingo games and raffles, a tax rate of five percent (5%) of the gross receipts revenue received therefrom, less the ~~actual~~ amount awarded ~~paid by such person, association or organization for or as~~ cash or merchandise prizes.

2. ~~For **Amusement game:** To conduct any~~ amusement games, a tax rate of two percent (2%) of the gross receipts revenue received therefrom, less the ~~actual~~ amount awarded ~~paid by such person, association or organization for or as~~ prizes.

3. ~~**Punchboards or pulltabs:**~~ For the conduct or operation of any punchboards or pulltabs, a tax rate of five percent (5%) of the gross receipts from such activities for commercial stimulant operators (taverns, restaurants, etc.); and a tax rate of ten percent (10%) on the gross receipts, less the amount awarded ~~paid out~~ as prizes for charitable or nonprofit organizations.

4. ~~**Social card games:** a.~~ For the conduct or operation of ~~any premises or facility used to play~~ social card games business, a tax rate of eleven percent (11%) ~~percent~~ of the gross receipts received therefrom; provided that when the number of card rooms in the City exceeds five, the tax rate shall increase to fifteen percent (15%) ~~percent~~ of the gross receipts received therefrom. Additionally, when the number of card rooms exceeds six, the tax rate shall increase to twenty percent (20%) of the gross receipts received therefrom. ~~b. For purposes of this provision, an operating business is defined as: a business open to the public and engaged in the business of operating a social card room for a period of 30 days. For purposes of this section, the 30 days are not required to be consecutive days. After the 30 days of operations, which triggers the increased tax rate, the Finance Director or his or her designee, shall notify the social card rooms of the increased rate and that rate shall be paid thereafter by all card rooms in this tax category, starting the financial quarter after notification.~~

~~— **B. Non-Profit Organizations.**~~

~~1. No tax shall be imposed under the authority of TMC Chapter 3.08 on bingo or raffles when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization as defined in RCW 9.46.0209, which organization has no paid or management personnel, and has gross income from bingo and raffles, or any combination thereof, not exceeding \$5,000 per year, less the amount paid for or as prizes.~~

~~2. The Finance Director may waive the tax due each quarter from a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209. This waiver may occur only if the charitable or nonprofit organization demonstrates by clear and convincing documentation that an amount equal to at least 70% of the tax due the City, as computed pursuant to TMC Section 3.08.030, will be donated to charitable nonprofit organizations serving the City whose purpose is to provide programs or facilities for meeting the basic health, education, welfare, or other needs of the residents of the City. Failure to donate at least 70% of the tax due the City will result in revocation of the waiver and the disqualification of the bona fide charitable or nonprofit organization to receive a waiver for future tax payments.~~

Section 5. Regulations Established. A new TMC Section 3.08.035 is hereby established to read as follows:

3.08.035 Exemptions – Nonprofit Organizations

A. No tax shall be imposed under the authority of TMC Chapter 3.08 on bingo or raffles when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization as defined in RCW 9.46.0209, which organization has no paid or management personnel, and has gross income from bingo and raffles, or any combination thereof, not exceeding \$5,000 per year, less the amount awarded for, or as prizes.

B. The Director may waive the tax due each quarter from a bona fide charitable or nonprofit organization as defined in RCW 9.46.0209 if the charitable or nonprofit organization demonstrates by clear and convincing documentation that an amount equal to at least 70 percent of the tax due the City, as computed pursuant to TMC Section 3.08.030, will be donated to charitable nonprofit organizations serving the City whose purpose is to provide programs or facilities for meeting the basic health, education, welfare, or other needs of the residents of the City. Failure to donate at least 70 percent of the tax due the City will result in revocation of the waiver and the disqualification of the bona fide charitable or nonprofit organization to receive a waiver for future tax payments.

Section 6. TMC Section 3.08.050 Amended. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.050, “Administration and Collection of Tax,” is hereby amended to read as follows:

3.08.050 Administration and Collection of Tax Payment – Activity Report

A. The tax imposed by this chapter shall be due and payable in quarterly installments, and remittance therefor, together with the return forms as prescribed by the Director, shall be made on or before the last day of the month following the quarterly period in which tax is accrued.

B. Every holder of a license issued by the Washington State Gambling Commission who conducts any taxable gambling activities within the City shall provide to the City a true copy of each periodic activity report, license report, or amendments thereto required to be filed with the State Gambling Commission pursuant to Chapter 230-05 WAC. Such information shall be provided to the City no later than the date of filing required by the State Gambling Commission.~~The administration and collection of tax imposed by this chapter shall be by the Finance Director and in strict pursuance of the rules and regulations as may be adopted by the Washington State Gambling Commission from time to time. The Finance Director shall adopt and publish such rules and regulations as may be reasonably necessary to enable the collection of the tax imposed hereby.~~

Section 7. Repealer. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.060, "Declaration and Statements Required to be Filed," is hereby repealed, thereby eliminating this section:

~~**3.08.060 Declaration and Statements Required to be Filed**~~

~~— A. For the purpose of properly identifying the person, association and organization subject to any tax imposed by this chapter, such person, association or organization intending to conduct or operate any gambling activity authorized by the above specified laws, or as the same may be amended hereafter, shall, prior to commencement of any such activity, file with the Finance Director a sworn declaration of intent to conduct or operate such activity, together with a true and correct copy of the license issued by the Washington State Gambling Commission or any renewal or extension of such license or temporary license.~~

~~— B. Thereafter, for any period covered by such State license or any renewal or extension thereof, any person, association or organization shall, on or before the last day of the month following the end of the quarterly period in which the tax accrued, file with the Finance Director a sworn statement, under penalty of perjury, on a form to be provided and prescribed by the Finance Director for the purpose of ascertaining the tax due for the preceding quarterly period.~~

~~— C. In addition, any such person, association or organization shall file with the Finance Director copies of any daily, weekly, monthly or other periodic tax statements, financial reports, daily control sheets, daily time sheets, records of attendance, or any other information required to be filed by it to the State of Washington Gambling Commission.~~

~~— D. The Chief of the Police Department may establish such further and additional reporting requirements of any person, association or organization authorized to conduct gambling activities in the City which are reasonably intended to provide information to the City regarding the conduct of said activities.~~

Section 8. Repealer. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.070, "Filing of Application with Finance Director," is hereby repealed, thereby eliminating this section:

~~3.08.070~~ — ~~Filing of Application with Finance Director~~

~~— Each person, association, or organization licensed by the Washington State Gambling Commission shall likewise submit to the Finance Director a true and correct copy of any application made to such commission for a license, together with any and all amendments thereof. Such copy shall be submitted at or prior to the filing of the first tax return due under this chapter.~~

Section 9. Repealer. Ordinance Nos. 1809 §1 (part), 2323 §3, and 2349 §3, as codified at TMC Section 3.08.080, “Payment of Tax – Penalty for Late Payments,” is hereby repealed, thereby eliminating this section:

~~3.08.080~~ — ~~Payment of Tax – Penalty for Late Payments~~

~~— A. The tax imposed by this chapter shall be due and payable in quarterly installments, and remittance therefor shall accompany each return and be made on or before the last day of the month following the quarterly period in which the tax accrued.~~

~~— B. If a person subject to this tax fails to pay any tax required by this chapter within 15 days after the due date thereof, there shall be added to such tax a penalty of 10% of the tax per month for each month overdue, which shall be added to the amount of the tax due.~~

Section 10. TMC Section 3.08.090 Amended. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.090, “Unlawful Acts Designated – Liability,” is hereby amended to read as follows:

3.08.090 Unlawful Acts Designated – Liability – Tax Constitutes Debt

A. Any person, association or organization that shall fail, neglect or refuse to pay the tax required by this chapter, or that shall willfully disobey any rule or regulation promulgated by the Finance Director under this chapter, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by imprisonment in the City jail for not more than 90 days or by a fine of not more than \$~~5~~1,000.00 or both. Any such fine shall be in addition to any tax, ~~and~~ penalties, and interest required.

B. All officers, directors and managers of any organization or association conducting gambling activities shall be jointly and severally liable for the payment of said tax, penalties, and interest for the payment of any fine imposed under this chapter.

C. Any tax due and unpaid under this chapter and all penalties and/or interest shall constitute a debt to the City. The City may use a collection agency to collect outstanding debts, or it may seek collection by court proceedings, which remedies shall be in addition to all other existing remedies. Furthermore, pursuant to RCW 9.46.110(4), taxes imposed under this chapter and associated penalties and/or interest become a lien upon personal and real property used in the gambling activity in the same manner as provided for under RCW 84.60.010. The lien shall attach on the date the tax becomes due and shall relate back and have priority against real and personal property to the same extent as ad valorem taxes.

Section 11. Repealer. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.100, “Finance Director – Powers and Duties,” is hereby repealed, thereby eliminating this section:

~~**3.08.100 Finance Director – Powers and Duties**~~

~~—The Finance Director or authorized representative shall adopt, publish and enforce such rules and regulations not inconsistent with this chapter as may be necessary to enable the prompt collection of the tax and penalties imposed by this chapter; prescribe and issue the appropriate forms for determination and declaration of the amount of tax to be paid; and have the power to enter into contracts with other municipalities and/or State agencies for the collection of the tax imposed on gambling activities conducted within the City.~~

Section 12. TMC Section 3.08.110 Amended. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.110, “Enforcement Authority – Access to Financial Records,” is hereby amended to read as follows:

3.08.110 Enforcement Authority – Access to Financial Records

A. The Mayor, Finance Director, and Chief of Police shall have the power to enter into contracts with other municipalities and/or State agencies for the enforcement of applicable State laws, rules and regulations and City ordinances relating to all gambling activities.

B. It shall be the responsibility of each person, association, or organization ~~any owner, director and manager of any organization~~ conducting any gambling activity as licensed by the Washington State Gambling Commission and taxed under the provisions of this chapter, to maintain and provide access at all reasonable times to all books, records, and information required ~~financial records, including bank deposits, invoices, accounts payable and related financial statements, as the Finance Director or his/her authorized representative, or any bona fide law enforcement representative of the City may require~~ in order to determine full compliance with this chapter and all rules and regulations adopted or hereafter adopted by the State of Washington Gambling Commission. Such records shall be kept and maintained for a period of not less than five years. In addition, all information and items required by the Washington State Gambling Commission, and the United States Internal Revenue Service respecting taxation, shall be kept and retained for the periods required by those agencies.

C. The Director and Chief of the Police Department may establish such further and additional reporting requirements of any person, association or organization authorized to conduct gambling activities in the City which are reasonably intended to provide information to the City regarding the conduct of said activities.

Section 13. TMC Section 3.08.130 Amended. Ordinance No. 1809 §1 (part), as codified at TMC Section 3.08.130, “List of Licenses to be Kept,” is hereby amended to read as follows:

3.08.130 List of Licensees to be Kept

It shall ~~further~~ be the responsibility of the Finance Director to keep on file a complete and up-to-date list of the licensees ~~issued~~ authorized by the Washington State Gambling Commission ~~who operate within the City, as the same is made available at said office,~~ which information shall include the name, address, type of license and license number of each such licensee. Nothing in this provision shall require the City to seek or obtain licenses from the Gambling Commission.

Section 14. Chapter Title. Ordinance No. 1733, as codified at TMC Chapter 3.20, “Admissions and Entertainment Tax,” is hereby amended to retitle the chapter as follows:

CHAPTER 3.20 ADMISSIONS ~~AND ENTERTAINMENT~~ TAX

Sections:

- 3.20.005 General Administrative Provisions Apply
- 3.20.010 ~~Admission Charge~~ Definitions
- 3.20.020 ~~Admissions~~ Tax Levied – Measure of Tax
- 3.20.025 Exemptions
- ~~3.20.030 Determination of Amount~~
- 3.20.035 Tax Payment and Collection
- ~~3.20.040 Collection – Remittance to Finance Director~~
- ~~3.20.050 Application and Reporting~~
- 3.20.060 Violations

Section 15. Regulations Established. A new TMC Section 3.20.005 is hereby established to read as follows:

3.20.005 General Administrative Provisions Apply

The administrative provisions contained in TMC Chapter 3.27 shall be fully applicable to the provisions of this chapter, except as expressly stated to the contrary herein.

Section 16. TMC Section 3.20.010 Amended. Ordinance Nos. 1733 §1 and 2080 §1, as codified at TMC Section 3.20.010, “Admission Charge – Definitions,” is hereby amended to read as follows:

3.20.010 Admission Charge – Definitions

A. “Admission charge,” in addition to its usual and ordinary meaning, means a monetary charge for entering a premise or location, shall include but not ~~be~~ limited to, the following:

1. A charge made for season tickets or subscriptions;
2. A cover charge or a charge made for use of seats or tables, reserved or otherwise, and similar accommodations.
- ~~3.~~ 2. A charge made for rental or use of equipment or facilities for purposes of ~~entertainment~~ recreation or amusement and, where the rental of the equipment or

facilities is necessary to the enjoyment of the privilege for which general admission is charged, the combined charge shall be considered as the admission charge.

~~4.3.~~ A charge made for ~~entertainment activities or~~ admission to any theater, dance hall, cabaret, ~~tavern~~~~adult entertainment cabaret~~, private club, auditorium, ~~stadium, athletic pavilion or field~~, circus, side show, outdoor amusement park or any similar place; and includes equipment to which persons are admitted for purposes of ~~entertainment recreation including, but not limited to, such as~~ merry-go-rounds, Ferris wheels, dodge 'ems, roller coasters, go-carts and other rides, whether such rides are restricted to tracks or not.

5. A charge made for entrance to any building, enclosure or area in which there is a golf driving range, miniature golf course, short nine, or other golf course, or to gain entrance to such course itself, or for the use of the facilities thereof, or any rental paid by the person paying for such entry for the use of equipment and facilities supplied him and appropriate to the enjoyment of the privilege for which the admission is charged, or the aggregate thereof.

B. "Cabaret" shall have the same meaning as defined in TMC Section 5.08.010.

C. "Governmental entity" means any federal, state, or local government, or branch thereof, also includes any public facility or any public facility, service, or utility district that is exempt from federal income taxation pursuant to Section 501(c)(1) or (3) of the Internal Revenue Code, as adopted or as amended.

D. "Nonprofit organization" means an organization that is exempt from federal income tax under Section 501(c)(3), (4), or (6) of the Internal Revenue Code, as adopted or amended, or is specifically exempted from the requirement to apply for tax exempt status under Section 501(c)(3).

E. "Secondary school" or "elementary school" means any public or private primary school, middle school, junior high school, high school, or any accredited college, junior college, university, or the recognized student body association thereof.

~~4. A sum or money referred to as "a donation" which must be paid before entrance is allowed.~~

~~5. "Admission charge" does not include public school activities and other non-profit endeavors.~~

Section 17. TMC Section 3.20.020 Amended. Ordinance Nos. 1733 §2, 2080 §2, and 2674 §1, as codified at TMC Section 3.20.020, "Admissions Tax Levied," is hereby amended to read as follows:

3.20.020 Admissions Tax Levied—Measure of Tax

A. There is levied and shall be collected a tax from every person, without regard to age, who pays an admission charge to any place within city limits. The amount of tax charged on admission charges shall be equal to the admission charge multiplied by the rate of five percent. ~~There is hereby levied a 5% tax on admissions for entertainment~~

~~purposes in the City of Tukwila. Such tax is to continue indefinitely or until amended or repealed by the City Council.~~

B. The admission charge to any cabaret or private club conducting cabaret activities, or any similar place of entertainment, is deemed to be the total amount charged as an admission charge, and/or a charge made for the use of seats and tables reserved or otherwise, and other similar accommodations. A participation cost or minimum purchase of food and/or beverages in lieu of a cover charge is deemed a taxable admission charge. ~~The transfer of admissions tax from the Foster Golf Links Fund to the General Fund shall be waived: Beginning in the 2019-2020 budget biennium, the City of Tukwila's General Fund will forego collection of admissions tax from Foster Golf Course until legislative action is taken to reinstate said collection and, further, admissions tax revenues collected by the Foster Golf Course shall be allocated to the Foster Golf Link Fund until legislative action is taken to reallocate such revenues to the General Fund.~~

C. When entertainment or admission to an event or activity accompanies the sale of food and/or beverages, merchandise, lodging, or services, admission taxes are measured by the total price of the combined transaction, unless the admission price for the entertainment, amusement, rental, or use of equipment is printed separately on the ticket, invitation, or other signage and reflects its true market value as an independent element.

D. If the ticket price is accompanied by a service charge, mailing fee or other ancillary payment, per ticket and/or per order, the admission tax shall be based upon the total sum of the admission price plus any such surcharge(s), whether or not they are printed on the ticket order.

Section 18. Regulations Established. A new TMC Section 3.20.025 is hereby established to read as follows:

3.20.025 Exemptions

A. The admissions tax imposed in this chapter shall not apply to anyone paying an admission charge as follows:

1. To an elementary school, secondary school, governmental entity, or nonprofit organization. However, governmental activities operated in the manner of a separate business enterprise shall not be exempt from this tax. By way of example and not limitation, a business enterprise subject to the admissions tax imposed in this chapter could include an event center or golf course, if operated as a business activity in a separate fund; or

2. To actively participate in bowling or to rent bowling shoes or equipment.

3. Beginning in the 2019 - 2020 budget biennium, the City of Tukwila's General Fund will forego collection of admissions tax from Foster Golf Course until legislative action is taken to reinstate said collection and, further, admissions tax revenues collected by the Foster Golf Course shall be allocated to the Foster Golf Link Fund until legislative action is taken to reallocate such revenues to the General Fund.

Section 19. Repealer. Ordinance No. 1733 §3, as codified at TMC Section 3.20.030, “Determination of Amount,” is hereby repealed, thereby eliminating this section:

~~3.20.030 — Determination of Amount~~

~~— A. Amount — The tax here imposed shall be in the amount of 5% on each admission or entertainment charge.~~

~~— B. Cabarets and similar places — The admission charge to any cabaret, adult entertainment cabaret, private club conducting cabaret activities, or any similar place of entertainment is deemed to be the total amount charged as an admission charge, a cover charge, and/or a charge made for the use of seats and tables reserved or otherwise, and other similar accommodations. A minimum drink or participation cost in lieu of a cover charge is deemed a taxable event.~~

~~— C. Signs posted — Whenever a charge is made for admission to any place, a sign shall be posted in a conspicuous place on the entrance or ticket office stating that a 5% city admission tax is included in the admission charge.~~

Section 20. Regulations Established. A new TMC Section 3.20.035 is hereby established to read as follows:

3.20.035 Tax Payment and Collection

A. The tax imposed by this chapter shall be due and payable in monthly installments, and remittance therefor, together with the return forms as prescribed by the Director, shall be made by the last day of the month following the end of the monthly period in which tax is accrued.

B. The tax levied in this chapter shall be paid by the person paying the admission charge and remitted by the person to whom the same is paid. The tax collected under this chapter shall be deemed held in trust by the person required to collect the same until the taxes are remitted to the Director under this section. Persons failing to collect the admission tax, or who collects the tax but fails to remit it to the Director, shall be liable to the City for the amount of such tax and associated penalties and/or interest due.

C. If the amount of admissions tax is not separately stated from the admission charge on all instruments evidencing the admission charge, a sign shall be posted in a conspicuous place on the entrance or ticket office stating that a City admissions tax of five percent is included in the admission charge. Except when the requirements of this subsection are satisfied, it shall be conclusively presumed that the admission charge does not include the admission tax levied in this chapter.

D. Whenever any theater, circus, show, exhibition, entertainment or amusement makes an admission charge which is subject to the tax herein levied, and the same is of a temporary or transitory nature or there exists a reasonable question of financial responsibility, of which the Director shall be the judge, the report and remittance of the admissions tax may be required immediately upon the collection of the same, at the conclusion of the performance or exhibition, or at the conclusion of the series of performances or exhibitions.

Section 21. Repealer. Ordinance No. 1733 §4, as codified at TMC Section 3.20.040, “Collection – Remittance to Finance Director,” is hereby repealed, thereby eliminating this section:

~~**3.20.040 — Collection — Remittance to Finance Director**~~

~~A. The tax imposed hereunder shall be collected from the person paying the admission charge at the time the admission charge is paid, and such taxes shall be remitted by the person collecting the tax to the Finance Director in monthly remittances on or before the last day of the month succeeding the end of the monthly period in which the tax is collected or received, and accompanied by such reports as the Finance Director shall require.~~

~~— B. Any person receiving any payment for admissions shall make out a return upon such forms and setting forth such information as the Finance Director may require, showing the amount of the tax upon admissions for which he is liable for the preceding monthly period, and shall sign and transmit the same to the Finance Director with a remittance for the amount; provided, that the Finance Director may at his discretion require verified annual returns from any person receiving admission payments setting forth such additional information as he may deem necessary to determine correctly the amount of tax collected and payable.~~

~~— C. If the return provided for herein is not made and transmitted and the tax is not collected and remitted to the City by the last day of the month succeeding the end of the month in which the tax was collected, the Finance Director shall add a penalty of 10% of the tax per month or fraction thereof for each month overdue, which shall be added to the amount of the tax due, and remitted in the same manner.~~

~~— D. Whenever any theater, circus, show, exhibition, entertainment or amusement makes an admission charge which is subject to the tax herein levied, and the same is of a temporary or transitory nature or there exists a reasonable question of financial responsibility, of which the Finance Director shall be the judge, the report and remittance of the admission tax may be required immediately upon the collection of the same, at the conclusion of the performance or exhibition, or at the conclusion of the series of performances or exhibitions.~~

~~— E. Every person liable for the collection and payment of the tax imposed by this chapter shall keep and preserve for a period of five years all unused tickets, ticket manifests, books and all other records from which can be determined the amount of admission tax which he was liable to remit under the provisions of this chapter, and all such tickets, books and records shall be open for examination and audit at all reasonable times by the Finance Director or his duly authorized agent.~~

Section 22. Repealer. Ordinance No. 1733 §5, as codified at TMC Section 3.20.050, “Application and Reporting,” is hereby repealed, thereby eliminating this section:

~~**3.20.050 — Application and Reporting**~~

~~— A. Any person conducting or operating any place for entrance to which an admission charge is made shall procure from the City an annual certificate of registration, the fee for which shall be \$1.00, and it shall be posted in a conspicuous place where tickets of admission are sold or the activity occurs. Annual renewals will be provided without a fee.~~

~~— B. The applicant for a certificate of registration shall furnish the Finance Director with the application, with the name and address of the owner, lessee or the custodian of the premises upon which the amusement is to be conducted; and such owner, lessee or custodian shall be notified of the issuance of such certificate and of his joint liability for collection and remittance of such tax.~~

~~— C. The Finance Director shall have the power to adopt rules and regulations not inconsistent with the terms of this chapter for carrying out and enforcing the payment, collection and remittance of the tax herein levied; and a copy of the rules and regulations shall be on file and available for public examination in the City Clerk's office.~~

Section 23. TMC Section 3.26.090 Amended. Ordinance Nos. 2689 §12 and 2727 §2, as codified at TMC Section 3.26.090, “Exemptions,” **subparagraph A**, is hereby amended to read as follows:

3.26.090 Exemptions

A. Gross receipts taxed under other Tukwila Municipal Code sections. This chapter shall not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of [TMC Chapter 3.08 \(Gambling Activities Tax\)](#), TMC Chapter 3.50 (Utility Tax) or TMC Chapter ~~3.08 (Gambling Activities Tax)~~[3.51 \(Solid Waste Utility Tax\)](#), or to [public utility activities subject to a franchise fee under a franchise agreement with the City.](#)

Section 24. Chapter Title. Ordinance No. 2689, as codified at TMC Chapter 3.27, “Business and Occupation Tax Administrative Provisions,” is hereby amended to retitle the chapter as follows:

CHAPTER 3.27 ~~BUSINESS AND OCCUPATION~~ TAX ADMINISTRATIVE PROVISIONS

Sections:

- 3.27.010 Purpose
- 3.27.015 Application of Chapter Stated
- 3.27.020 Definitions
- 3.27.021 Definitions – References to Chapter 82.32 RCW
- 3.27.025 Registration/License Requirements
- 3.27.040 When Due and Payable – Reporting Periods – Monthly, Quarterly, and Annual Returns – Threshold Provisions or Relief from Filing Requirements – Computing Time Periods – Failure to File Returns

- 3.27.050 Payment Methods – Mailing Returns or Remittances – Time Extension – Deposits – Recording Payments – Payment Must Accompany Return – NSF Checks
- 3.27.060 Records to be Preserved – Examination – Estoppel to Question Assessment
- 3.27.070 Accounting Methods
- 3.27.080 Public Work Contracts – Payment of Fee and Tax Before Final Payment for Work
- 3.27.090 Underpayment of Tax, Interest, or Penalty – Interest
- 3.27.095 Time in Which Assessment May Be Made
- 3.27.100 Over Payment of Tax, Penalty, or Interest – Credit or Refund – Interest Rate – Statute of Limitations
- 3.27.110 Late Payment – Disregard of Written Instructions – Evasion – Penalties
- 3.27.120 Cancellation of Penalties
- 3.27.130 Taxpayer Quitting Business – Liability of Successor
- 3.27.140 Administrative Appeal
- 3.27.145 Judicial Review of Administrative Appeal Decision
- ~~3.27.150 Hardship Appeal Procedure~~
- 3.27.160 Stakeholder Involvement
- 3.27.170 Review and Reporting Provisions
- 3.27.180 Director to Make Rules
- 3.27.190 Ancillary Allocation Authority of Director
- 3.27.200 Mailing of Notices
- 3.27.210 Tax Declared Additional
- 3.27.220 Public Disclosure – Confidentiality – Information Sharing
- 3.27.230 Tax Constitutes Debt
- 3.27.240 Unlawful Actions – Violations – Penalties
- 3.27.245 Suspension or Revocation of Business License
- 3.27.250 Closing Agreement Provisions
- 3.27.255 Charge-Off of Uncollectible Taxes
- 3.27.260 Severability

Section 25. TMC Section 3.27.010 Amended. Ordinance No. 2689 §17, as codified at TMC Section 3.27.010, “Purpose,” is hereby amended to read as follows:

3.27.010 Purpose

The purpose of this Chapter is to provide ~~for the~~ administrative [guidelines and provisions to administer and enforce the City’s tax codes](#), ~~procedures for the Business and Occupation Tax as codified in TMC Chapter 3.26, setting administrative fees and prescribing penalties for noncompliance with the provisions of this chapter.~~

Section 26. TMC Section 3.27.015 Amended. Ordinance No. 2689 §18, as codified at TMC Section 3.27.015, “Application of Chapter Stated,” is hereby amended to read as follows:

3.27.015 Application of Chapter Stated

The provisions of this Chapter shall apply with respect to the taxes imposed under TMC Chapter [3.08 \(Gambling Activities Tax\)](#), TMC Chapter [3.20 \(Admissions Tax\)](#), TMC Chapter [3.26 \(Business and Occupation Tax\)](#), TMC Chapter [3.48 \(Commercial Parking Tax\)](#), TMC Chapter [3.50 \(Utility Tax\)](#), and TMC Chapter [3.51 \(Solid Waste Utility Tax\)](#), and under other titles, chapters, and sections in such manner and to such extent as indicated in each such title, chapter or section.

Section 27. Repealer. Ordinance No. 2689 §34, as codified at TMC Section 3.27.150, “Hardship Appeal Procedure,” is hereby repealed, thereby eliminating this section:

~~3.27.150—Hardship Appeal Procedure~~

~~—The Director shall develop a financial hardship appeal procedure by January 1, 2024.~~

Section 28. TMC Section 3.27.245 Amended. Ordinance No. 2727 §14, as codified at TMC Section 3.27.245, “Suspension or Revocation of Business License,” is hereby amended to read as follows:

3.27.245 Suspension or revocation of business license

The Director shall have the power and authority to suspend or revoke any license issued under the provisions of TMC 5.04 if the licensee has failed to comply with the provisions of [any tax imposed by any of the chapters within this title and administered by this chapter.](#) ~~and Chapter TMC 3.26 (business and occupation tax).~~ Such suspension or revocation shall follow the same procedure as provided in TMC [Chapter 5.04.110 and TMC 5.04.112.](#)

Section 29. Regulations Established. A new TMC Section 3.48.005 is hereby established to read as follows:

[3.48.005 General Administrative Provisions Apply](#)

[The administrative provisions contained in TMC Chapter 3.27 shall be fully applicable to the provisions of this chapter, except as expressly stated to the contrary herein.](#)

Section 30. TMC Section 3.48.010 Amended. Ordinance No. 2586 §3, as codified at TMC Section 3.48.010, “Definitions,” is hereby amended to read as follows:

3.48.010 Definitions

The following definitions shall apply throughout this chapter:

1. “*Commercial parking business*” means the ownership, lease, operation or management of a commercial parking lot in which fees are charged for [the act or privilege of parking motor vehicles.](#)

2. “*Commercial parking lot*” means [a covered or uncovered area with stalls for the purpose of parking motor vehicles.](#)

3. “Commercial parking” means any transaction or arrangement whereby a vehicle is parked and a fee is charged for parking or allowed the vehicle to be parked, irrespective of the length of time the vehicle is parked. Commercial parking shall include instances where a fee is charged specifically for the parking of a vehicle. ~~This shall include any business which uses part or all of its area to park vehicles for a fee where no other service, lodging or business is being provided or conducted in conjunction with the parking of the vehicle.~~ This shall include instances where a vehicle is parked or allowed to be parked, and a separate fee is charged in connection with other services. Commercial parking shall also include instances such as:

A. When a guest of a hotel, motel or other lodging establishment is allowed to park or leave his/her vehicle before or after his or her lodging or business stay there so that, for a fee, the guest’s vehicle is parked at the hotel, motel or other lodging establishment during days when the guest is no longer staying there. ~~Commercial parking shall also include instances such as~~

B. When a guest or visitor of a hotel, motel or other lodging establishment is allowed to park or leave his/her vehicle before, during, or after his or her lodging or business stay ~~there so that, for a fee, the guest’s vehicle is parked~~ at the hotel, motel or other lodging establishment ~~during days when the guest is no longer staying there.~~

C. Where a vehicle is parked or allowed to be parked, and where a fee would be charged for the parking unless validated by a business because a customer makes a purchase or otherwise transacts business for which a fee is paid.

4. “Parking tax” means the commercial parking tax imposed by this chapter.

Section 31. TMC Section 3.48.020 Amended. Ordinance No. 2586 §4, as codified at TMC Section 3.48.020, “Exemptions,” is hereby amended to read as follows:

3.48.020 Exemptions

The following exemptions to the commercial parking tax ~~are allowed~~ apply:

1. **Local employee parking**, with parking spaces provided or reserved for use by an employee who works within the City, where the employee parks his or her vehicle in connection with his or her employment, without regard to whether arrangements or payment for the parking is made by the employee or by his or her employer.

2. **Apartments and condominiums**, where parking is provided in conjunction with arrangements for residential living spaces.

3. **Offices, retail establishments, warehouses and industrial buildings**, where parking is provided in association with tenant arrangements for the use of such facilities.

4. The tax shall not be levied on vehicles with official state disabled person decals, government vehicles that are exempt from tax, and tax-exempt carpool vehicles.

Section 32. TMC Section 3.48.030 Amended. Ordinance No. 2586 §5, as codified at TMC Section 3.48.030, “Local Option Transportation Tax Imposed,” is hereby amended to read as follows:

3.48.030 Local Option Transportation Tax Imposed

Pursuant to RCW 82.80.030, there is hereby levied a special local option transportation tax to be imposed on every person a tax for the act or privilege of parking a motor vehicle in a commercial parking lot within the City that is operated by a commercial parking business. The amount of parking tax shall be equal to the commercial parking fee multiplied by the parking tax rate in connection with commercial parking businesses within the City.

1. For commercial parking businesses operated by nonprofit organizations on City-owned property, the parking tax shall be imposed at the rate of five percent. ~~% of the gross revenues generated by nonexempt commercial parking charges and fees.~~

2. For all other commercial parking businesses, the parking tax rate is shall be imposed at the rate of five percent. Effective January 1, 2019, the parking tax rate is imposed at eight percent. Effective January 1, 2020, the parking tax rate is imposed at 11 percent. Effective January 1, 2021, the parking tax rate is imposed at 15 percent. ~~8% of the gross revenues generated by non-exempt commercial parking charges and fees effective January 1, 2019, and then as follows:~~

~~January 1, 2020: 11% of the gross revenues generated by non-exempt commercial parking charges and fees~~

~~January 1, 2021: 15% of the gross revenues generated by non-exempt commercial parking charges and fees~~

Section 33. Repealer. Ordinance No. 2586 §6, as codified at TMC Section 3.48.040, “Tax in Addition to Other License Fees or Taxes,” is hereby repealed, thereby eliminating this section:

~~**3.48.040 Tax in Addition to Other License Fees or Taxes**~~

~~The tax levied under this chapter shall be in addition to any license fee or tax imposed or levied under any law, statute or ordinance whether imposed or levied by the City, State or other governmental entity or political subdivision.~~

Section 34. Repealer. Ordinance No. 2586 §7, as codified at TMC Section 3.48.050, “Exempt Vehicles,” is hereby repealed, thereby eliminating this section:

~~**3.48.050 Exempt Vehicles**~~

~~The tax shall not be levied on vehicles with official State disabled person decals, government vehicles which are exempt from tax, and tax-exempt carpool vehicles.~~

Section 35. TMC Section 3.48.060 Amended. Ordinance No. 2586 §8, as codified at TMC Section 3.48.060, “Taxes Collected by Business Operators,” is hereby amended to read as follows:

3.48.060 Tax Payment and Collection~~ed by Business Operators~~

A. The taxes imposed by this chapter herein shall be collected by the operators of the commercial parking businesses, and shall be due and payable to the City in monthly installments, and remittance therefor, together with return forms as prescribed by the Director. The operators of the commercial parking businesses shall remit to the City the local option transportation taxes collected shall be made on or before the last day of the month following the end of the monthly period during which the taxes were collected. The City shall be authorized to review and inspect financial records involving activities of businesses which are taxable by this tax, at least quarterly each year.

B. The tax levied in this chapter shall be paid by the person paying the commercial parking charge and remitted by the person to whom the same is paid. The tax collected under this chapter shall be deemed held in trust by the person required to collect the same until the taxes are remitted to the Director under this section. Persons failing to collect the parking tax, or who collects the tax but fails to remit it to the Director, shall be liable to the City for the amount of such tax and associated penalties and/or interest due.

C. If the amount of parking tax is not separately stated from the commercial parking fee on all instruments evidencing the parking fee, a sign shall be posted in a conspicuous place on the entrance or where parking fees are advertised stating that a City parking tax of five percent is included in the parking fee. Except when the requirements of this subsection are satisfied, it shall be conclusively presumed that the commercial parking fee does not include the parking tax levied in this chapter.

Section 36. Regulations Repealed. Ordinance No. 2586 §9, as codified at TMC Section 3.48.070, “Late Penalty,” is hereby repealed, thereby eliminating this section:

~~3.48.070 — Late Penalty~~

~~— If a Commercial Parking Business subject to this tax fails to pay any tax required by this chapter within 15 days after the due date thereof, there shall be added to such tax a penalty of 10% of the tax per month for each month overdue, which shall be added to the amount of the tax due.~~

Section 37. Repealer. Ordinance No. 2586 §13, as codified at TMC Section 3.48.110, “Appeal Procedures,” is hereby repealed, thereby eliminating this section:

~~3.48.110 — Appeal Procedure~~

~~— A. Any person aggrieved by the calculation of the tax determined to be due to the City pursuant to this chapter may appeal to the Finance Director or his/her designee from such determination by filing a written notice of appeal with the City Clerk within 20 calendar days from the date on which such person was given notice of the tax. The notice of appeal must state the grounds for appeal, including a detailed explanation of why the~~

~~amount of the tax was incorrect. The Finance Director or designee shall review the basis for the appeal and may request clarification from the appellant. After the review is complete, the Finance Director or designee shall issue an administrative decision that may sustain or modify the amount of tax owed. Notice of the administrative decision shall be sent to the appellant by certified mail within 10 days of issuance.~~

~~— B. The appellant, if aggrieved by the decision of the Finance Director or designee, may then appeal to the City Hearing Examiner within 20 calendar days of the date the administrative decision is mailed to the appellant. The notice of appeal must state the grounds for appeal, including a detailed explanation of why the administrative decision is incorrect. The notice of appeal must be accompanied by an Appeal Fee in accordance with the fee schedule adopted by resolution of the City Council.~~

~~— C. Upon timely filing of a notice of appeal, the Finance Director shall schedule a hearing on the appeal before the City's Hearing Examiner. The hearing shall be conducted no later than 30 days from the date of the notice of appeal, unless an extension is agreed to by the appellant or otherwise ordered by the Hearing Examiner for good cause shown. Notice of the hearing and the appeal shall be given to the appellant by certified mail at least five days prior to the date of the hearing.~~

~~— D. The hearing shall be governed by the City of Tukwila Hearing Examiner's procedural rules. The hearing shall be de novo. The decision of the City's Hearing Examiner or other hearing body shall be based upon a preponderance of the evidence. The burden of proof shall be on the appellant. The Hearing Examiner or other hearing body may affirm, reverse or modify the Finance Director's decision.~~

~~— E. Within 20 business days, excluding holidays recognized by the City of Tukwila, from the date of the hearing on an appeal under this section, the Hearing Examiner shall issue a written decision which shall set forth the reasons therefor.~~

Section 38. Regulations Established. A new TMC Section 3.50.015 is hereby established to read as follows:

3.50.015 General Administrative Provisions Apply

The administrative provisions contained in TMC Chapter 3.27 shall be fully applicable to the provisions of this chapter except as expressly stated to the contrary herein.

Section 39. TMC Section 3.50.030 Amended. Ordinance No. 1998 §3, as codified at TMC Section 3.50.030, "Definitions," is hereby amended to read as follows:

3.50.030 Definitions

The definitions contained in chapter 3.27 TMC shall have full force and application with respect to taxes imposed under the provisions of this chapter except as expressly stated to the contrary herein.

As used in this chapter, unless the context or subject matter clearly requires otherwise, the words or phrases defined in this section shall have the indicated meanings.

1. “Cable television services” means the transmission of video programming and associated non-video signals to subscribers together with subscriber interaction, if any, which is provided in connection with video programming.

2. “Cellular telephone service” means any two-way voice and data telephone or similar communications system based in whole or in substantial part on wireless radio communications, including cellular mobile service, and which is not subject to regulation by the Washington State Utilities and Transportation Commission. Cellular mobile service includes other wireless radio communications services including specialized mobile radio, personal communications services, and any other evolving wireless radio communications technology that accomplishes a purpose substantially similar to cellular mobile service. Cellular telephone service is included within the definition of “telephone business” for the purposes of this chapter.

3. “Competitive telephone service” means the providing by any person of telecommunications equipment or apparatus, directory advertising and lease of telephone street directories, or service related to that equipment or apparatus such as repair or maintenance service, if the equipment or apparatus is of a type which may be provided by persons not subject to regulation as telephone companies under Title 80 RCW, and for which a separate charge is made. Transmission of communication through cellular telephones is classified as “telephone business” rather than “competitive telephone service.”

~~4. “Finance Director” means the Finance Director of the City of Tukwila, Washington, or his or her designee.~~

54. “Gross income” means the value proceeding or accruing from the performance of the particular business involved, including gross proceeds of sales, compensation for the rendition of services, and receipts (including all sums earned or charged, whether received or not) by reason of investment in the business engaged in (excluding rentals, receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages or other evidences of indebtedness, or stocks and the like), all without any deduction on account of the cost of property sold, the cost of materials used, labor costs, taxes, interest or discount paid, delivery costs or any expenses whatsoever, and without any deduction on account of losses.

65. “Pager service” means service provided by means of an electronic device which has the ability to send or receive voice or digital messages transmitted through the local telephone network, via satellite or any other form of voice or data transmission. “Pager service” is included within the definition of “telephone business” for the purposes of this chapter.

~~7. “Person” means any person, firm, corporation, association, or entity of any type engaged in a business subject to taxation under this chapter.~~

86. Telephone business” means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. It includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the

content for purposes of transmission, conveyance, or routing without regard to whether such service is referred to as voice over internet protocol services or is classified by the Federal Communications Commission as enhanced or value added. Telephone business also includes ancillary services that are associated with or incidental to the provision of telecommunication services including, but not limited to, conference bridging, detailed telecommunications billing, directory assistance, vertical service, or voice mail services as defined in RCW 82.04.065. “Telephone business” ~~means also includes~~ the ~~business of~~ providing by any person of access to a local telephone network, local telephone network switching service, toll service, or coin telephone services, or providing telephonic, video, data, pager or similar communication or transmission for hire, via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. The term includes cooperative or farmer line telephone companies or associations operating an exchange. The term also includes the provision of transmission to and from the site of an internet provider via a local telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. “Telephone business” does not include the providing of competitive telephone service, ~~or data processing,~~ cable television service, or other providing of broadcast services by radio or television stations.

Section 40. TMC Section 3.50.040 Amended. Ordinance No. 1998 §4, as codified at TMC Section 3.50.040, “Occupations Subject to Tax – Amount,” is hereby amended to read as follows:

3.50.040 Occupations Subject to Tax - Amount

There is levied upon, and shall be collected from a every person ~~because of engaged in~~ certain business activities ~~engaged in or carried on within~~ the City of Tukwila, taxes in the amount to be determined by the application of rates given against gross income as follows:

1. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting electric energy, a tax equal to 6 percent ~~4% for the calendar years 2003 and 2004; 5% for the calendar years 2005 and 2006; and 6% for the calendar years 2007 and beyond,~~ of the total gross income from such business in the City during the period for which the tax is due;

2. Upon a person engaged in or carrying on the business of selling, furnishing, or transmitting gas, whether natural or manufactured, a tax equal to 6 percent ~~4% for the calendar years 2003 and 2004; 5% for the calendar years 2005 and 2006; and 6% for the calendar years 2007 and beyond,~~ of the total gross income from such business in the City during the period for which the tax is due;

3. Upon a person engaged in or carrying on any telephone business a tax equal to 6 percent ~~4% for the calendar years 2003 and 2004; 5% for the calendar years 2005 and 2006; and 6% for the calendar years 2007 and beyond,~~ of the total gross income, including income from intrastate long distance toll service, from such business in the City during the period for which the tax is due;

4. Upon a person engaged in or carrying on the business of selling, furnishing or transmitting cable television service, a tax equal to 6 percent ~~4% for the calendar years 2003 and 2004; 5% for the calendar years 2005 and 2006; and 6% for the calendar years 2007 and beyond,~~ of the total gross income from such business in the City during the period for which the tax is due.

~~5. In addition to the automatic annual review of the Financial Planning Model, the City Council will review the need for scheduled rate changes for 2005 and again for 2007.~~

Section 41. TMC Section 3.50.060 Amended. Ordinance No. 1998 §6, as codified at TMC Section 3.50.060, "Exceptions and Deductions," is hereby amended to read as follows:

3.50.060 Exceptions and Deductions

In computing the tax levied in this chapter, there shall be deducted from the gross income the following items ~~There is excepted and deducted from the total gross income upon which the tax is computed:~~

1. That part of the total gross income derived from business which the City is prohibited from taxing under the constitution or laws of the United States and the constitution or laws of the State of Washington.

2. ~~Income derived from that portion of network telephone service, as defined in RCW 82.04.065,~~ That portion of gross income derived by a taxpayer engaging in a telephone business which represents charges to another telecommunications company, as defined in RCW 80.04.010, for connecting fees, switching charges, or carrier access charges relating to intrastate toll telephone services; or for access to, or charges for, interstate services; or charges for ~~network~~ telephone service that is purchased for the purpose of resale.

3. Adjustments made to a billing or customer account in order to reverse a billing or charge that was not properly a debt of the customer.

4. Cash discounts allowed and actually granted to customers of the taxpayer during the tax year.

5. The amount of credit losses and uncollectible debts actually sustained by taxpayers whose regular books are kept upon an accrual basis. ~~Uncollectible debts written off the taxpayer's books during the tax year. If subsequently collected, the income shall be reported for the period in which collected.~~

Section 42. Regulations Established. A new TMC Section 3.50.065 is hereby established to read as follows:

3.50.065 Allocation of Income – Cellular Telephone Service

When determining total gross income from cellular telephone service in the City for purposes of Section 3.50.040(3), "gross income" shall include all income from cellular telephone service (including roaming charges incurred outside this state) provided to

customers whose place of primary use is in the City, regardless of the location of the facilities used to provide the service. The customer's "place of primary use" is, with respect to each telephone: (1) the customer's address shown on the telephone service company's records; or (2) the customer's place of residence if the telephone is for personal use, and in both cases must be located within the licensed service area of the home service provider. Roaming charges and cellular telephone charges to customers whose place of primary use is outside the City will not be taxable even though those cellular services are provided within the City.

There is a rebuttable presumption that the address shown on the cellular telephone service company's records is the place of primary use and is accurate. If the cellular telephone service company knows or should have known that a customer's place of primary use address for a telephone is within the City, then the gross income from cellular telephone service provided to that customer with respect to that telephone is to be included in the company's gross income.

Section 43. Repealer. Ordinance No. 1998 §5, §8, §9, §10, §11, §12, §13, and §14, as codified at TMC Sections 3.50.050; 3.50.080; 3.50.090; 3.50.100; 3.50.110; 3.50.120; 3.50.130; and 3.50.140 respectively, are hereby repealed, thereby eliminating these sections:

~~3.50.050 — Tax Year~~

~~—The tax year for purposes of this utility tax shall commence February 1, 2003 and end December 31, 2003, and thereafter shall commence on January 1 and end on December 31 each year.~~

~~3.50.080 — Taxpayer's Records~~

~~—Each taxpayer shall keep records reflecting the amount of the taxpayer's gross income on sales and services within the City, and such records shall be open at all reasonable times for the inspection of the Finance Director or his designee to verify information provided on any utility tax return, or to determine whether such return is required to be filed.~~

~~3.50.090 — Failure to Make Returns or to Pay the Tax in Full~~

~~—If a taxpayer fails, neglects, or refuses to make his return as and when required by this chapter, the Finance Director is authorized to determine the amount of the tax payable under provisions of TMC 3.50.040, and to notify such taxpayer of the amount so determined. The amount so fixed shall thereupon be the tax and be immediately due and payable, together with penalty and interest. Delinquent taxes, including any penalties, are subject to an interest charge of 12% per year on the unpaid balance from the date any such taxes became due as provided in TMC 3.50.070.~~

~~3.50.100 — Penalty for Delinquent Payment~~

~~—If a person subject to this tax fails to pay any tax required by this chapter within 15 days after the due date thereof, there shall be added to such tax a penalty of 10% of the amount of such tax. Any tax due under this chapter that is unpaid and all penalties thereon~~

~~shall constitute a debt to the City and may be collected by court proceedings, which remedy shall be in addition to all other remedies.~~

~~3.50.110 — Overpayment of Tax~~

~~— Money paid to the City through error, or otherwise not in payment of the tax imposed by this chapter, or in excess of such tax, shall, upon discovery, be credited against any tax due or to become due from such taxpayer hereunder, provided however, that overpayments extending beyond one year prior to notification of the City shall not be refunded. If such taxpayer has ceased doing business in the City, any such overpayment shall be refunded to the taxpayer.~~

~~3.50.120 — Noncompliance — Penalty~~

~~— A. No person subject to this chapter shall fail or refuse to file tax returns or to pay tax when due, nor shall any person make a false statement or representation in, or in connection with, any such tax return, or otherwise violate or refuse to comply with this chapter or with any rule promulgated pursuant to TMC 3.50.140.~~

~~— B. In addition to the interest and delinquent filing penalties set forth above, a willful violation of or failure to comply with this chapter is a civil infraction, subject to a fine of up to \$250 for each day that a violation continues.~~

~~3.50.130 — Appeal~~

~~— A taxpayer aggrieved by the amount of the tax, penalties, interest, or civil infraction fine determined to be due by the Finance Director or his designee, under the provisions of this chapter, may appeal such determination to the City of Tukwila's City Administrator or his or her designee.~~

~~3.50.140 — Finance Director to Make Rules~~

~~— The Finance Director shall have the power to adopt and enforce rules and regulations not inconsistent with this chapter or with the law for the purposes of carrying out the provisions thereof.~~

Section 44. Regulations Established. A new TMC Section 3.51.015 is hereby established to read as follows:

3.51.015 General Administrative Provisions Apply

The administrative provisions contained in TMC Chapter 3.27 shall be fully applicable to the provisions of this chapter except as expressly stated to the contrary herein.

Section 45. TMC Section 3.51.030 Amended. Ordinance No. 2250 §3, as codified at TMC Section 3.51.030, "Definitions," is hereby amended to read as follows:

3.51.030 Definitions

The definitions contained in TMC chapter 3.27 shall have full force and application with respect to taxes imposed under the provisions of this chapter except as expressly stated to the contrary herein.

As used in this chapter, unless the context or subject matter clearly requires otherwise, the words or phrases defined in this chapter shall have the indicated meanings.

1. “Solid waste” means all putrescible and nonputrescible solid and semi-solid wastes, including but not limited to, garbage, rubbish, ashes, industrial wastes, swill, sewage sludge, demolition and construction waste, abandoned vehicles or parts thereof, and recyclable materials.

2. “Solid waste collection business” means every person who receives solid waste or recyclable materials for transfer, storage, or disposal, including but not limited to, all collection services, public or private solid waste disposal sites, transfer stations, and similar operations.

~~3. “Person” means any person, firm, corporation, association, or entity of any type engaged in a business subject to taxation under this ordinance.~~

~~4. “Finance Director” means the Finance Director of the City of Tukwila, Washington, or his or her designee.~~

53. “Gross income” means the value proceeding or accruing from the performance of the particular business involved, including gross proceeds of sales, compensation for the rendition of services, and receipts (including all sums earned or charged, whether received or not) by reason of investment in the business engaged in (excluding rentals, receipts or proceeds from the use or sale of real property or any interest therein and proceeds from the sale of notes, bonds, mortgages or other evidences of indebtedness, or stocks and the like), all without any deduction on account of the cost of property sold, the cost of materials used, labor costs, taxes, interest or discount paid, delivery costs or any expenses whatsoever, and without any deduction on account of losses.

64. “Residential customers” means any customer of the solid waste collection provider for residential type customers of single-family residential structures, including mobile homes and duplexes, tri-plexes and four-plexes where each residential unit is billed individually, except that the term does not include multiple unit residences with five or more attached or unattached units billed collectively.

75. “Non-residential customers” means any customer other than those identified as a “residential customer.”

Section 46. Repealer. Ordinance No. 2250 §8, §9, §10, §11, §12, §13, and §14, as codified at TMC Sections 3.51.080; 3.51.090; 3.51.100, 3.51.110; 3.51.120, 3.51.130, and 3.51.140 respectively, are hereby repealed, thereby eliminating these sections:

~~3.51.080~~ — Taxpayer’s Records

~~Each taxpayer shall keep records reflecting the amount of the taxpayer’s gross income on sales and services within the City, and such records shall be open at all reasonable times for the inspection of the Finance Director or his designee to verify information provided on any utility tax return, or to determine whether such return is required to be filed.~~

3.51.090 — Failure to Make Returns or to Pay the Tax in Full

~~— If a taxpayer fails, neglects, or refuses to make his return as and when required by this chapter, the Finance Director is authorized to determine the amount of the tax payable under provisions of TMC 3.51.040, and to notify such taxpayer of the amount so determined. The amount so fixed shall thereupon be the tax and be immediately due and payable, together with penalty and interest. Delinquent taxes, including any penalties, are subject to an interest charge of 12% per year on the unpaid balance from the date any such taxes became due as provided in TMC 3.51.070.~~

3.51.100 — Penalty for Delinquent Payment

~~— If a person subject to this tax fails to pay any tax required by this chapter within 15 days after the due date thereof, there shall be added to such tax a penalty of 10% of the amount of such tax. Any tax due under this chapter that is unpaid and all penalties thereon shall constitute a debt to the City and may be collected by court proceedings, which remedy shall be in addition to all other remedies. The City may, at its discretion, pursuant to Chapter 19.16 RCW, use a collection agency to collect such taxes, interest and penalties owed or assessed, or it may seek collection by court proceedings, which remedies shall be in addition to all other remedies.~~

3.51.110 — Overpayment of Tax

~~— Money paid to the City through error, or otherwise not in payment of the tax imposed by this chapter, or in excess of such tax, shall, upon discovery, be credited against any tax due or to become due from such taxpayer hereunder, provided however, that overpayments extending beyond one year prior to notification of the City shall not be refunded. If such taxpayer has ceased doing business in the City, any such overpayment shall be refunded to the taxpayer.~~

3.51.120 — Noncompliance – Penalty

~~— A. No person subject to this chapter shall fail or refuse to file tax returns or to pay tax when due, nor shall any person make a false statement or representation in, or in connection with, any such tax return, or otherwise violate or refuse to comply with this chapter or with any rule promulgated pursuant to TMC 3.51.140.~~

~~— B. In addition to the interest and delinquent filing penalties set forth above, a willful violation of or failure to comply with this chapter is a civil infraction, subject to a cumulative fine of up to \$250 for each day that a violation continues. All penalties imposed under this chapter shall constitute a debt to the City. The city may, at its discretion, pursuant to Chapter 19.16 RCW, use a collection agency to collect taxes, interest, and penalties owed or assessed pursuant to this chapter, or the City may seek collection by court proceedings, which remedies shall be in addition to all other remedies.~~

3.51.130 — Appeal

~~— A taxpayer aggrieved by the amount of the tax, penalties, interest, or civil infraction fine determined to be due by the Finance Director or his or her designee under the provisions of this chapter may appeal such determination to the City of Tukwila's City~~

~~Administrator or his or her designee. Taxpayers shall be required to remit the amounts determined to be due under this chapter prior to filing an appeal.~~

~~**3.51.140 — Finance Director to Make Rules**~~

~~—The Finance Director shall have the power to adopt and enforce rules and regulations not inconsistent with this chapter or with the law for the purposes of carrying out the provisions thereof.~~

~~—If any amount of the tax, to be paid under the terms of this chapter, becomes due and remains unpaid, or if default is made in any of the sections herein contained, the license so issued shall be revoked.~~

Section 47. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/ subsection numbering.

Section 48. 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 49. 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 on July 1, 2024, 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 _____, 2024.

ATTEST/AUTHENTICATED:

Andy Youn, CMC, City Clerk

Thomas McLeod, 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



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**
CC: **Mayor McLeod**
FROM: **Vicky Carlsen, Finance Director**
BY: **Tony Cullerton, Deputy Finance Director**
DATE: **March 25, 2024**
SUBJECT: **February 2024 General Fund Departmental Budget-to-Actuals Report**

SUMMARY

The purpose of the February 2024 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 February 2024 report is based on financial data available as of March 1, 2024, for the period ending February 29, 2024.

Expenditures

General Fund departmental expenditures totaled \$8.9 million through February, which is \$2.2 million below the allocated budget of \$11.2 million. Department 20, which transfers to other funds, reported minimal activity for the month. In total the General Fund activity as of the end of February was \$9 million, which is below the allocated budget by \$2.2 million. However, due to ongoing labor negotiations, the \$2.2 million dollars under budget does not represent savings.

Allocated Budget

As of the end of February, all departments are under their allocated budgets.

% Expended

The end of February represents 16.7% of the year completed. Finance is the only department that finished the month with a % Expended greater than 16.7%. The 27% spending in **Finance** is a combination of Professional Services, Technical Services, and Machinery & Equipment. Professional Services saw a significant increase in the Risk Management program. This program is responsible for 98% of the cost in Professional Services. The increase in Technical Services is Software Maintenance contracts. Machinery & Equipment costs are Finance Enterprise Milestone payments and the replacement cost for a new Folding Machine.

2024 Compared to 2023

INFORMATIONAL MEMO

February 26, 2024

Page 2

When comparing the current year’s spending to the previous year’s spending, A few departments reported large swings in spending. The **Mayor’s Office** reported a decline of 34% when compared to the same period last year. The decline is in both Attorney Services and Public Defense expenditures. The 44% budgeted increase in **Finance** has been previously explained under the % Expended section of the memo. The large decline reported in **Fire** is a timing issue. Last year the City paid the Q1 invoice in February. Based on the allocated budget, we anticipate a \$3.8 million payment to the Regional Fire Authority (RFA) for contracted services in the month of March.

Departmental Variances

Year to Date Department Expenditures Through January 2024:

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	% Expended	2023/2024	
	2024 Annual	2024 Allocated	2022	2023	2024			\$ Change	% Change
	City Council	393,067	65,511	54,853	55,773			50,409	(15,102)
Mayor's Office	2,405,513	400,919	275,003	454,468	300,579	(100,340)	12.5%	(153,889)	-33.9%
Administrative Services	5,621,624	964,500	685,140	792,800	735,932	(228,567)	13.1%	(56,867)	-7.2%
Finance Department	4,625,307	1,279,668	831,005	871,125	1,260,794	(18,874)	27.3%	389,669	44.7%
Rec Dept / Parks Maint	5,808,439	942,198	584,521	707,264	601,602	(340,596)	10.4%	(105,662)	-14.9%
Community Dev	5,063,237	843,873	710,773	671,131	560,456	(283,417)	11.1%	(110,675)	-16.5%
Municipal Court	1,859,399	309,900	244,465	267,167	254,824	(55,075)	13.7%	(12,342)	-4.6%
Police Department	24,212,875	4,433,574	3,058,958	3,676,374	3,595,082	(838,493)	14.8%	(81,293)	-2.2%
Fire Department	15,605,441	384,921	2,346,086	3,984,579	378,904	(6,017)	2.4%	(3,605,675)	-90.5%
PW Dept / Street Maint	8,002,142	1,573,617	1,061,423	1,255,585	1,234,557	(339,060)	15.4%	(21,028)	-1.7%
Subtotal	73,597,044	11,198,680	9,852,227	12,736,267	8,973,140	(2,225,540)	12.2%	(3,763,127)	-29.5%
Non Departmental	5,865,345	0	0	0	18,953	18,953	0.3%	18,953	N/A
Total Expenditures	79,462,388	11,198,680	9,852,227	12,736,267	8,992,093	(2,206,587)	11.3%	(3,744,174)	-29.4%
						% of Year	16.7%		

General Fund by Category

INFORMATIONAL MEMO

February 26, 2024

Page 3

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 the purposes of debt issuance and by other stakeholders. 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 governance. To provide an enhanced level of reporting, additional information is being provided for activity by category that reflect an increase of more than **5%** over the prior year AND **\$50,000**, that are part of a Category that is reporting total activity above the % of Year calculation.

Allocated Budget

All Category totals except **Capital Outlay** are within their allocated budget. There was no Capital spending for the period of Jan – Feb in 2023. The expenditures incurred during this period in 2024 were for capital purchases that support a variety of programs, including Financial Reporting & Analysis, A/P, A/R and Misc Billing. The large decline in **Salaries** is due to ongoing labor negotiations and should not be interpreted as cost savings.

% Expended

The end of February represents 16.7% of the year. The only category that is reporting expenditures greater than 16.7% YTD is Machinery & Equipment. These are the costs previously explained as capital software milestone payments and the purchase to replace an outdated folding machine.

\$ Change 2023/2024

When comparing changes in spending between 2023 and 2024 there were no large increases at the category level. However, there were a couple of significant decreases. **Professional Services** decreased significantly from the same period last year. The decrease is due to the timing of when the City makes its 1st quarter contract payment to the RFA. In 2023, the 1st quarter payment was made in February. In 2024, the payment is budgeted for the month of March. **Communications** reflects an increase of 143% over the same period last year. However, the dollar amount is less than \$50k. While the % is high, the total dollar amount is immaterial. This purchase is for a Business Reply Mail permit for the Business Systems Management Support program within the City Clerk's Office. **Rentals** are up 49%. Similar to Communications, while the % of increase seems high, the dollar amount is low. The increase in Rentals is an expenditure for training in the Public Safety program. Specifically, EVOC track fees. The increase in **Machinery & Equipment** has been explained above in the % Expended section of this memo.

INFORMATIONAL MEMO

February 26, 2024

Page 4

General Fund

City of Tukwila

General Fund Expenditures

Year-to-Date as of Feb 29, 2024

	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2023 Annual	2023 Allocated	2021	2022	2023	Actual Budget	%	Change	
						vs Allocated	Expended	\$ 2022/2023	% 2022/2023
						OVER/(UNDER)			
Salaries	28,083,897	4,680,650	4,878,147	3,842,367	3,126,737	(1,553,913)	11.1%	(715,630)	(18.6%)
Extra Labor	794,977	132,496	41,959	54,499	59,792	(72,704)	7.5%	5,293	9.7%
Overtime	797,180	132,864	432,520	291,849	218,463	85,599	27.4%	(73,386)	(25.1%)
Holiday Pay	250,000	41,667	2,885	1,935	623	(41,044)	0.2%	(1,312)	N/A
FICA	2,299,308	383,218	310,328	315,667	257,275	(125,943)	11.2%	(58,392)	(18.5%)
Pension-LEOFF	690,494	102,749	146,850	85,931	73,249	(29,500)	10.6%	(12,682)	(14.8%)
Pension-PERS/PSERS	1,877,476	312,912	239,320	253,845	181,211	(131,701)	9.7%	(72,634)	(28.6%)
Industrial Insurance	616,066	102,677	99,101	63,390	55,067	(47,610)	8.9%	(8,323)	(13.1%)
Medical & Dental	5,818,916	969,819	1,224,582	894,256	981,781	11,962	16.9%	87,525	9.8%
Unemployment	0	0	168	0	0	0	-	0	N/A
Uniform/Clothing	33,504	5,584	0	242	635	(4,949)	1.9%	393	N/A
Total Salaries & Benefits	41,261,818	6,864,635	7,375,860	5,803,982	4,954,832	(1,909,803)	12.0%	(849,149)	(14.6%)
Supplies	640,401	106,734	5,172	45,824	52,194	(54,540)	8.2%	\$6,370	13.9%
Repairs & Maint Supplies	420,705	70,118	13,448	34,599	57,454	(12,663)	13.7%	\$22,855	66.1%
Resale Supplies	2,580	430	0	0	0	(430)	-	\$0	-
Small Tools	228,078	38,013	3,306	22,521	9,215	(28,799)	4.0%	(\$13,306)	(59.1%)
Technology Supplies	112,364	18,727	3,659	2,741	12,426	(6,301)	11.1%	\$9,685	353.4%
Fleet Supplies	7,260	1,210	0	740	619	(591)	8.5%	(\$121)	(16.4%)
Total Supplies	1,411,387	235,232	25,584	106,424	131,908	(103,324)	9.3%	\$25,483	23.9%
Professional Services	23,292,740	3,029,313	1,578,383	5,974,870	2,774,924	(254,389)	11.9%	(\$3,199,947)	(53.6%)
Communications	468,177	78,029	37,111	29,816	72,576	(5,454)	15.5%	\$42,759	143.4%
Professional Dev	532,851	86,663	99,662	150,198	164,710	78,047	30.9%	\$14,512	9.7%
Advertising	66,716	11,120	0	50	0	(11,120)	-	(\$50)	N/A
Rentals	319,003	53,167	27,462	10,852	16,202	(36,965)	5.1%	\$5,350	49.3%
Technology Services	1,081,907	217,880	240,306	275,610	286,318	68,438	26.5%	\$10,708	3.9%
Utilities	2,387,484	193,481	31,341	118,684	114,872	(78,609)	4.8%	(\$3,812)	(3.2%)
Repairs & Maint Svs.	1,483,739	247,290	323,102	208,616	259,910	12,621	17.5%	\$51,295	24.6%
Miscellaneous	701,220	116,870	63,917	57,165	39,449	(77,421)	5.6%	(\$17,716)	(31.0%)
Total Services	30,333,839	4,033,813	2,401,284	6,825,861	3,728,960	(304,853)	12.3%	(3,096,900)	(45.4%)
Capital Outlay-Land	0	0	0	0	0	0	-	0	-
Other Improvements	0	0	0	0	0	0	-	0	-
Machinery & Equipment	590,000	65,000	49,499	0	176,392	111,392	29.9%	176,392	N/A
Construction Projects	0	0	0	0	0	0	-	0	-
Total Capital Outlay	590,000	65,000	49,499	0	176,392	111,392	29.9%	176,392	N/A
Transfers Out	5,865,345	0	0	0	0	0	-	0	N/A
Total Non Operating Expen	5,865,345	0	0	0	0	0	-	0	N/A
Total Expenditures	79,462,389	11,198,680	9,852,227	12,736,267	8,992,092	(2,206,588)	11.3%	(3,744,174)	(29.4%)
							% of Year	16.7%	

Riverton Park United Methodist Church Response (RPUMC)

INFORMATIONAL MEMO

February 26, 2024

Page 5

Total costs to date are slightly over \$217,072. These expenditures are a combination of consulting services/contracts, employee time, and services.

Total Costs (Snapshot)

SNAPSHOT				
Object	2023 \$	2024 \$	Total	%
Consulting/Contracts	107,598	5,000	112,598	51%
Salaries/Benefits	55,494	39,007	94,501	43%
Services	0	14,222	14,222	6%
Total	163,092	58,229	221,321	100%

The City has entered into four contracts for service. The total contract amount is currently \$192,948. Of that total, \$112,598 has been spent, leaving a remaining encumbered amount of \$80,350.

CONTRACTS	
#1 Fencing	
Initial Contract Amount	15,000
Change Orders	<u>5,000</u>
Total Contract Amount	20,000
Amount Invoiced	<u>18,734</u>
Amount Remaining	1,266
#2 I-2 Strategies	
Initial Contract Amount	39,000
Change Orders	<u>61,000</u>
Total Contract Amount	100,000
Amount Invoiced	<u>77,898</u>
Amount Remaining	22,102
#3 Brad Harwood Communications	
Initial Contract Amount	60,000
Change Orders	<u>0</u>
Total Contract Amount	60,000
Amount Invoiced	<u>15,966</u>
Amount Remaining	44,034
#4 Cascadia Cleaning & Removal	
Initial Contract Amount	12,948
Change Orders	<u>0</u>
Total Contract Amount	12,948
Amount Invoiced	<u>0</u>
Amount Remaining	12,948
Contracts Summary	
Initial Contract Amount	126,948
Change Orders	66,000
Total Contract Amount	192,948
Amount Invoiced	112,598
Amount Remaining - Encumbered	80,350
TOTAL CONTRACT COSTS	112,598
Encumbrances	80,350
CONTRACT GRAND TOTAL	192,948

INFORMATIONAL MEMO

February 26, 2024

Page 6

Several departments within the City are dedicating staff time to the RPUMC project. Below is a breakdown at the department level.

Cost by Department

Department	2023 \$	2024 \$	Total
Admin Svcs-Administration	123	140	263
City Council	587	352	939
Comm Dev Administration	6,140	4,770	10,910
Community Service & Engagement	2,724	607	3,331
Economic Development	4,009	424	4,432
Emergency Mgmt.	7,317	731	8,047
Finance Department	100	0	100
Golf Course Operations	0	36	36
Mayor's Office Administration	4,240	4,080	8,319
Non-Dept General Government	107,598	19,294	126,892
Park Maintenance	0	611	611
PD Recruiting & Hiring	61	0	61
Police Dept Administration	8,740	7,033	15,773
Recreation Dept-Administration	21,454	19,731	41,184
Tourism-Basic Operations	0	424	424
Total	163,092	58,229	221,321

INFORMATIONAL MEMO

February 26, 2024

Page 7

Projections

Looking ahead we anticipate the following additional costs.

6 Month Projections	
Consulting/Contracts	
Future Encumbrances	80,350
Durable Tenting	
Initial setup + 28 days	42,000
Four months lease (\$25k/Mo.)	100,000
Demobilization + 28 days	37,000
Misc expenditures (6 Mo.)	<u>215,000</u>
Estimated Total	394,000
Salaries/Benefits	
Staff Time (6 Mo.)	108,624
Services	
Miscellaneous	2,000
Total Projections	584,974
Current Incurred Expenditures	<u>217,071</u>
Expected Total Costs	802,045



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee
CC: Mayor McLeod
FROM: Vicky Carlsen, Finance Director
BY: Tony Cullerton, Deputy Finance Director
DATE: March 25, 2024
SUBJECT: 2023 3rd Quarter Report

ISSUE

The report below summarizes the citywide financial results and highlights significant items or trends through the third quarter of 2023. The report is based on data available as of January 5, 2024, for the reporting period ending September 30, 2023.

General Fund revenues are tracking higher than in the same period last year. . Additionally, they are reporting \$1.7 million (3.3%) higher than budget through September 2023. Expenditures are below budget. However, one-time vacancy savings and delayed implementation of anticipated wage and benefit adjustments associated with collective bargaining have yielded reductions to expenditures.

While our current projections indicate underspending, it's important to note that the majority, if not all, of these are postponed expenses that are expected to come due by year-end. If not by year-end, then contractual obligations related to labor will be paid out in 2024, after contracts are settled. Our most reliable estimates suggest that there is more than \$2.5 million in expenditures incurred (but not yet reported) due to contractual and retroactive salaries. These expenditures are expected to be paid in the near future.

As the financial statements are reviewed, please note the new formatting and additions to the statements. With the new ERP system, we are now able to capture budget amendments in the statements that have been approved via consensus. This enhancement will allow the reader to understand the impacts of proposed amendments on fund balance as the year progresses rather than waiting for formal approval at year-end.

Additional details can be found in the attached financial reports.

DISCUSSION

January through September Highlights

General Fund

- Unassigned beginning fund balance was \$16.2 million, lower than expected but still exceeding fund balance policy requirements. Beginning fund balance is lower than expected due to land sale revenue expected at the end of 2022 having not yet been received.
- Revenue through September 30th is \$51.7 million, slightly above the allocated budget of \$50 million. Increases in sales tax and building permits are offsetting those revenue streams that are not currently meeting expectations.
- Major revenue performers included Retail Sales Tax, Business Licenses, and Building Permits.
- Salaries and benefits are currently lower than budget pending the conclusion of collective bargaining with Teamsters Local 763. Upon agreement and ratification, a retroactive payment will be processed that will reconcile the variance.
- General Fund departmental expenditures through September are at \$49.9 million and transfers out are at \$4.7 million for a total general fund expenditures of \$55.6 million.
- Total general fund expenditures are below allocated budget by \$2.6 million. As previously noted, this is largely due to one-time savings generated from staff vacancies and pending wage and benefit adjustments associated with collective bargaining.

Other Funds

Capital Projects

Several capital projects are in process including:

- The Allentown Truck Reroute project recommended alternatives for further consideration.
- The Transportation Element Comp Plan incorporated community input into draft transportation networks.
- West Valley Highway (I405 to Strander) Project completed significant work, including stripping and installations.
- Public Works Shops Phase 1 and Phase 2 advanced with roofing and painting updates.

Utilities

In the third quarter, Utility projects achieved significant milestones.

- The Levee Certification/Green River Corridor project involved ongoing collaboration with the Army Corps of Engineers.
- Regulatory reviews continued for the Surface Water, Water & Sewer Comprehensive Plans, while the Surface Water Comp Plan was actively developed.
- The Annual Small Drainage Program secured a design consultant, and NPDES Program compliance was ensured through the successful hiring of new inspectors.
- The Green the Green project, involving grants and vegetation management, continued, and the Chinook Wind Public Access/Extension project received a grant of \$280,000 for design activities.

Foster Golf Course

- Foster Golf Course entered into a strategic partnership with GolfNow, a prominent player in the online tee time booking service sector.
- Foster Golf Course upgraded its website which resulted in increased online visibility, amplifying the course's presence during customer searches for golf facilities.
- The Golf Course was able to successfully justify a modest adjustment in Green Fees, aligning the cost of a round of golf with that of other surrounding municipal golf courses.

Equipment Rental

- The Equipment Rental Fund has strategically leveraged the Enterprise Fleet Leasing program by adding twelve new patrol vehicles into its fleet.
- PD has completed the implementation of the Police Department's take-home vehicle program.
- The department has realized increased revenue from the Sale of Capital Assets over the anticipated budget.

Lodging Tax

- Lodging tax revenue is on pace to meet and exceed budget. Lodging tax revenue through September is \$787k and exceeds allocated budget by \$61k.

Drug Seizure

- For the period January 1st through September 30th, 2023, the seizure fund brought in \$79,010 through the Dept of Justice's Equitable Sharing program.
- Police Department sent \$82,322 to Sound Mental Health as contracted compensation for our two Mental Health Co-Responders (a portion of these expenditures will be returned to us via the grant).
- The Department spent \$11,423 of Seizure Funds to replace the Special Response Team's (SWAT) equipment.

Debt Service Funds

- Debt Service is funded by budgetary approved interfund transfers. All long-term debt obligations are paid timely and in accordance with the debt schedule.

Insurance – Active Employees / Insurance LEOFF 1 Retirees Funds

- The Insurance funds are trending as anticipated. The funds are adequately funded, and Program Cost expenditures are slightly under budget. Both funds are stable and well positioned heading into Q4.

ATTACHMENTS

3rd Quarter Financial Report

CITY OF TUKWILA

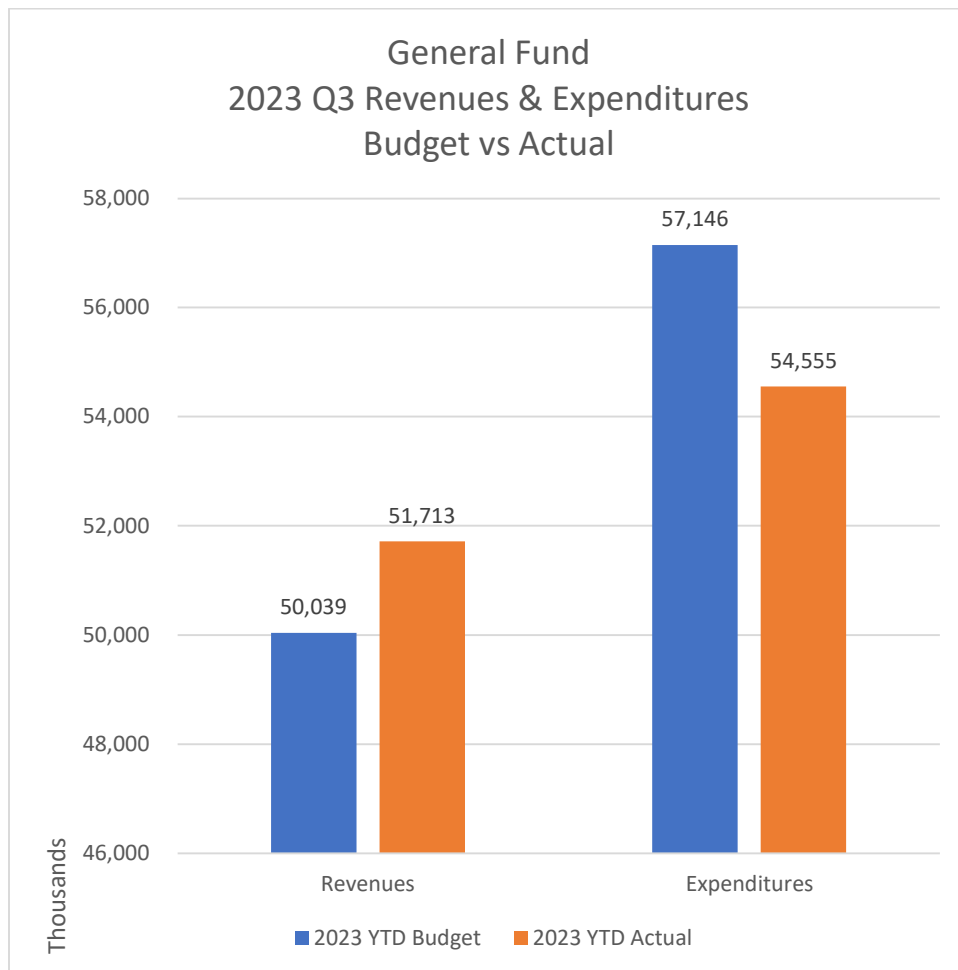
2023 Q3 FINANCIAL REPORT

HIGHLIGHTS

This report explains the City's income and spending activities through September 30, 2023, with a primary emphasis on the General Fund activities. Although it encompasses financial information about all City funds, the discretionary activity in the other funds is constrained by statutory restrictions, unlike the General Fund.

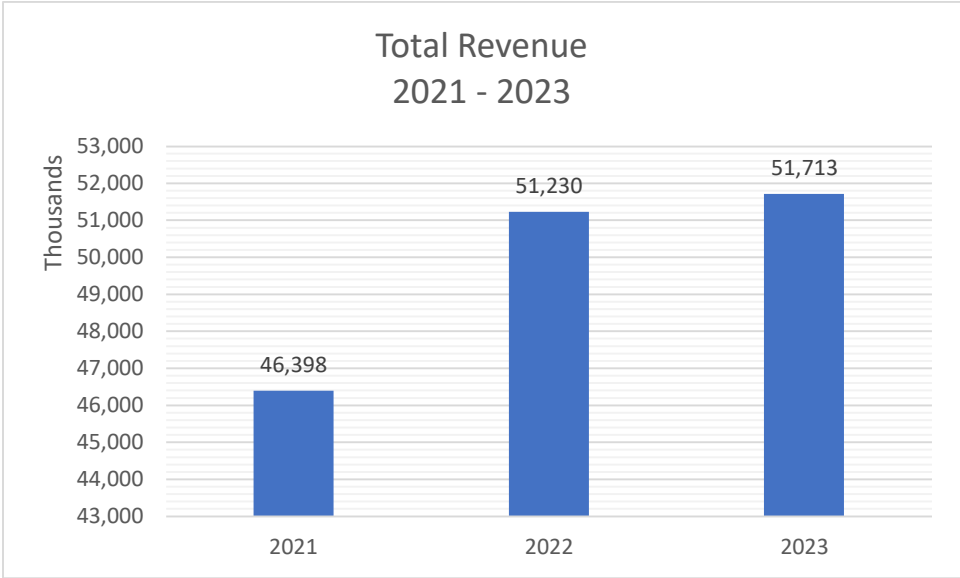
Year-to-date revenues are slightly higher than budgeted, and expenditures are lower than budgeted.

	2023 YTD Budget	2023 YTD Actual	\$ Diff	% Diff
Revenues	50,038,867	51,712,623	1,673,756	3.3%
Expenditures	57,145,620	54,555,154	(\$2,590,466)	-4.5%



The quarter concluded with operating expenditures below the budget. It's important to note that the \$2.5 million under budget is not indicative of savings due to ongoing labor negotiations, and retro pay is anticipated soon. Expenditures appear higher than revenues due to a delayed property tax deposit that was expected in the third quarter but arrived in the following month. Although expenditures are evenly distributed and budgeted in the month of occurrence, revenues are occasionally received in subsequent months.

Year-to-date revenues are slightly higher than budget with a 3.3% increase over expectations. Over the past three years, 2023 revenues are up 11.5% over 2021, and 0.9% when compared to the same period in 2022. While revenues are trending up and to the right, they are not significant enough to keep pace with the increase in inflation.



Major Performing Revenues

- Retail Sales Tax increase 7.5%
- Interfund Utility Tax increase 8.0%
- Business Licenses increase 6.6%
- Building Permits increase 27.1%

City of Tukwila

General Fund

as of September 30, 2023

	<i>Annual Budget</i>	<i>Budget Amendments (Consensus)</i>	<i>Revised Annual Budget</i>	<i>Year to Date Actual</i>	<i>Variance Over/(Under) Annual Budget</i>	<i>% of Annual Budget</i>
REVENUE:						
Property Tax	\$17,682,000	\$ -	\$ 17,682,000	\$ 9,595,750	\$ (8,086,250)	54.3%
Sales Taxes-Retail	20,378,000	1,000,000	21,378,000	16,250,146	(5,127,854)	79.7%
Sales Taxes-Criminal Justice	905,000	-	905,000	754,014	(150,986)	83.3%
Admission Taxes	850,000	-	850,000	681,981	(168,019)	80.2%
Utility Taxes	4,300,000	-	4,300,000	3,219,572	(1,080,428)	74.9%
Interfund Utility Taxes	2,634,980	-	2,634,980	2,160,738	(474,242)	82.0%
Gambling & Excise Taxes	4,665,700	-	4,665,700	3,606,519	(1,059,181)	77.3%
Business Licenses	3,230,000	-	3,230,000	2,286,658	(943,342)	70.8%
Rental Housing Permits	41,000	-	41,000	39,856	(1,144)	97.2%
Building Permits	1,739,660	-	1,739,660	1,862,306	122,646	107.0%
Franchise Fees	508,000	-	508,000	418,919	(89,081)	82.5%
Sales Tax Mitigation Payments	635,470	-	635,470	494,254	(141,216)	77.8%
SCL Agreement	2,300,000	-	2,300,000	2,064,356	(235,644)	89.8%
Grant Revenues	2,873,788	1,445,215	4,319,003	2,632,121	(1,686,882)	91.6%
State Entitlements	505,500	-	505,500	460,823	(44,677)	91.2%
Intergovernmental Revenue	628,804	-	628,804	18,428	(610,376)	2.9%
General Government Revenue	16,620	-	16,620	17,017	397	102.4%
Security Revenue	1,138,900	200,000	1,338,900	768,010	(570,890)	67.4%
Transportation Revenue	20,000	-	20,000	288	(19,712)	1.4%
Plan Check and Review Fees	794,268	-	794,268	966,653	172,385	121.7%
Culture and Recreation Fees	171,200	10,000	181,200	110,707	(70,493)	64.7%
Fines and Penalties	760,475	-	760,475	228,515	(531,960)	30.0%
Other Income	178,155	117,396	295,551	402,845	107,294	226.1%
Total Operating Revenues	66,957,520	2,772,611	69,730,131	49,040,475	(20,689,656)	73.2%
Indirect Cost Allocation	2,822,397	-	2,822,397	2,116,809	(705,588)	75.0%
Investment Earnings	100,000	150,000	250,000	317,897	67,897	317.9%
Rent & Concessions	335,570	-	335,570	237,442	(98,128)	70.8%
Transfers In	1,624,147	(270,000)	1,354,147	-	(1,354,147)	0.0%
Total Non-Operating Revenues	4,882,114	(120,000)	4,762,114	2,672,147	(2,089,966)	54.7%
Total Revenues	71,839,634	2,652,611	74,492,245	51,712,623	(22,779,622)	72.0%

The Budget Amendments (Consensus) were formally approved at the November 20th Regular Meeting.

Property Tax

2023				2023 YTD vs		
Allocated				Actual less		2022 YTD \$
Budget	2021 Actual	2022 Actual	2023 Actual	Budget	Diff	% Diff
10,800,133	9,796,332	9,740,424	9,595,750	(1,204,383)	(144,674)	-1.5%

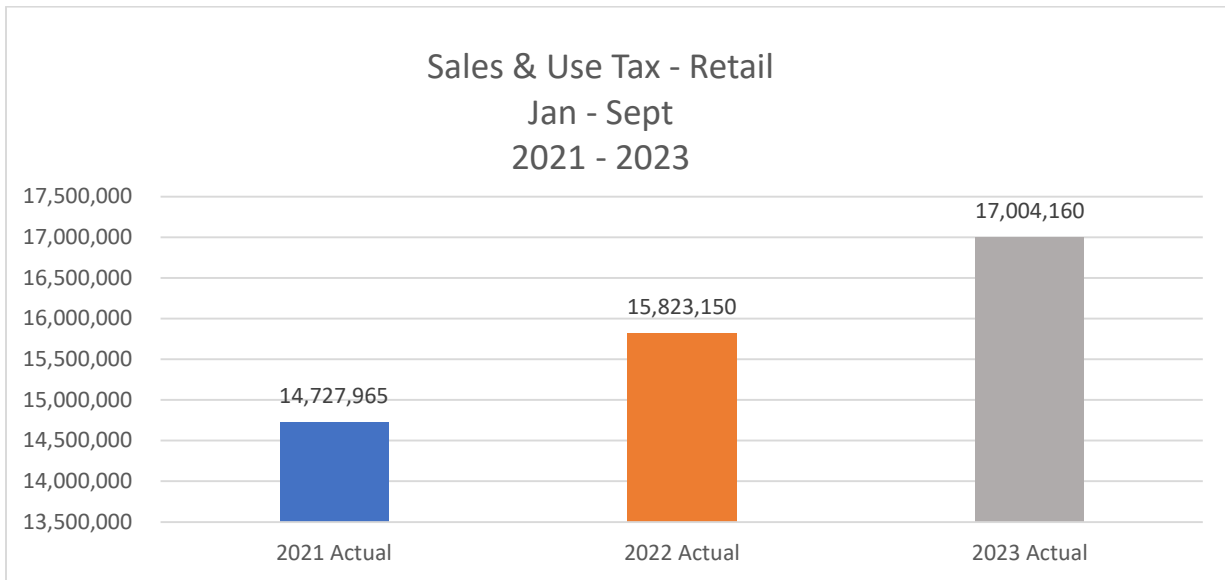
Property Tax declined 1.5% over the same period last year. However, the dip is a result of a timing variance due to delayed receipt of the September property tax distribution deposited from King County. A \$1.1 million property tax deposit was anticipated in September but received in the 1st week of October. 2023 Property Tax has been received and posted. Property taxes are trending as budgeted.



Sales Tax

2023 Allocated Budget	2021 Actual	2022 Actual	2023 Actual	Actual less Budget	2023 YTD vs 2022 YTD \$ Diff	% Diff
15,692,788	14,727,965	15,823,150	17,004,160	1,311,372	1,181,010	7.5%

Sales Tax is up, over \$1.2 million (7.5%) compared to last year. Within Sales Tax, Retail Trade was down 2.9% compared to last year. The Construction sector and Services sector were the strongest performers. Construction is one of the more volatile sectors and is difficult to project within the Sales Tax umbrella. Inflationary pricing also contributed to the overall increase in Sales Tax revenue.

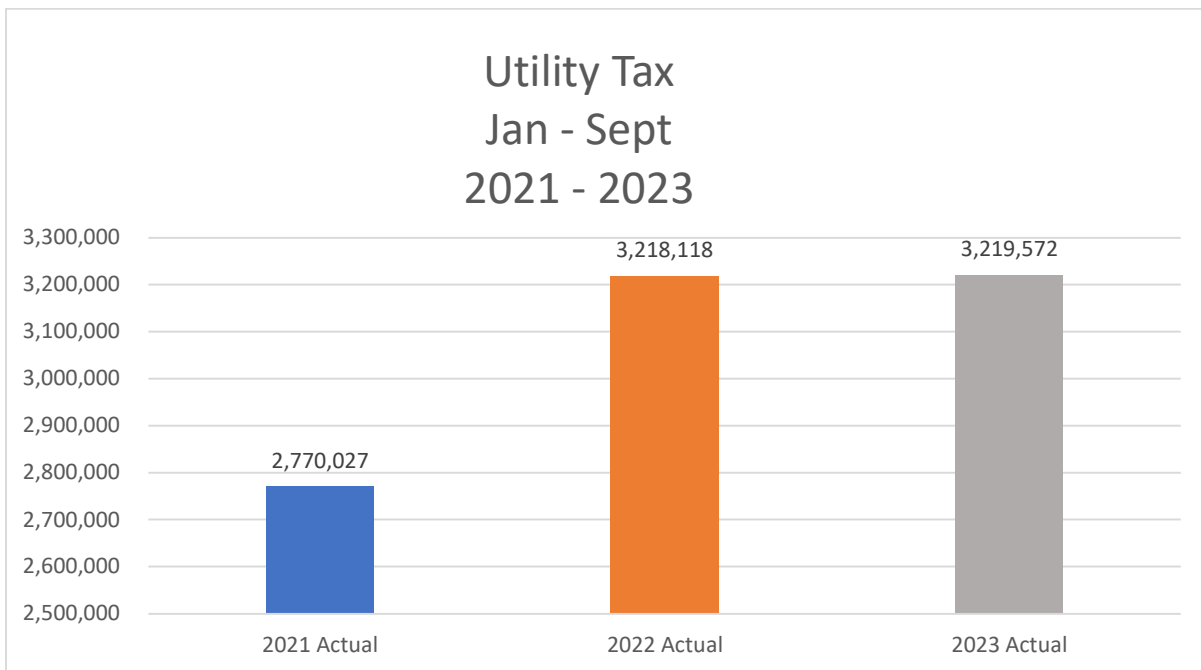


Utility Tax

2023				2023 YTD vs			
Allocated				Actual less 2022 YTD \$			
Budget	2021 Actual	2022 Actual	2023 Actual	Budget	Diff	% Diff	
3,294,842	2,770,027	3,218,118	3,219,572	(75,270)	\$1,454	0.0%	

Utility tax came in slightly under budget but revenues were on par with the same period last year. Utility tax is a combination of the following utilities:

	2022	2023	\$ Change	% Change
Cable	163,804	171,069	7,265	4.4%
Electric	1,403,974	1,356,265	(47,709)	-3.4%
Gas	542,695	575,820	33,125	6.1%
Telecommunications	535,249	534,608	(641)	-0.1%
Solid Waste	572,397	581,810	9,413	1.6%
Total	3,218,119	3,219,572	1,453	0.05%

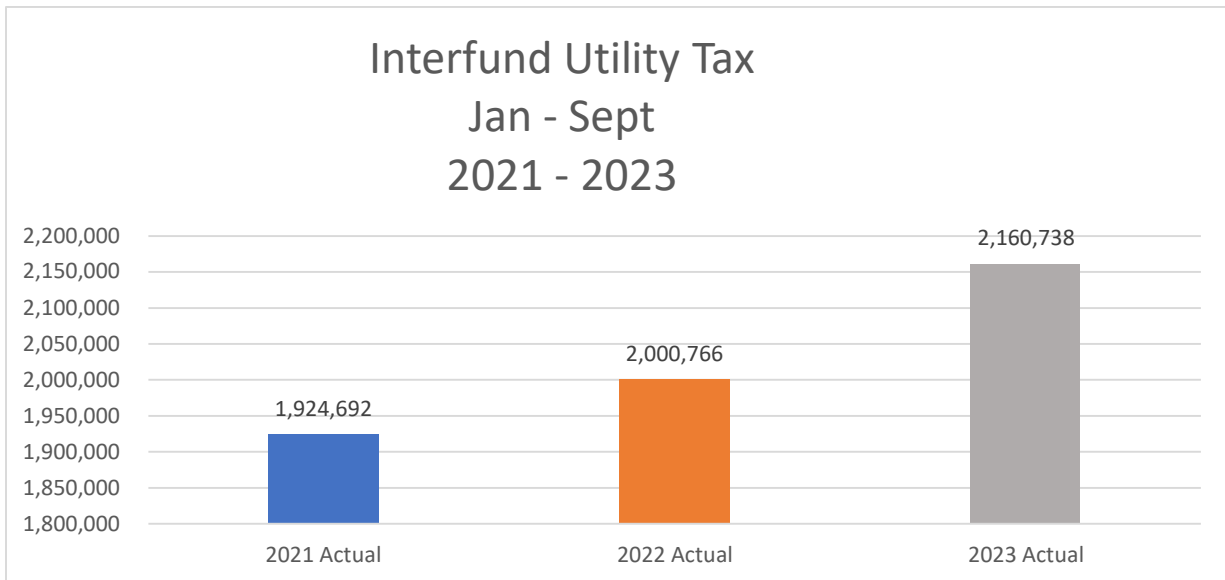


Interfund Utility Tax

2023				2023 YTD vs		
Allocated				Actual less	2022 YTD \$	
Budget	2021 Actual	2022 Actual	2023 Actual	Budget	Dif	% Diff
2,157,684	1,924,692	2,000,766	2,160,738	3,054	159,972	8.0%

Interfund Utility Tax is the tax the City imposes on itself for the use of utilities. All three utilities saw an increase greater than 5% over the prior year.

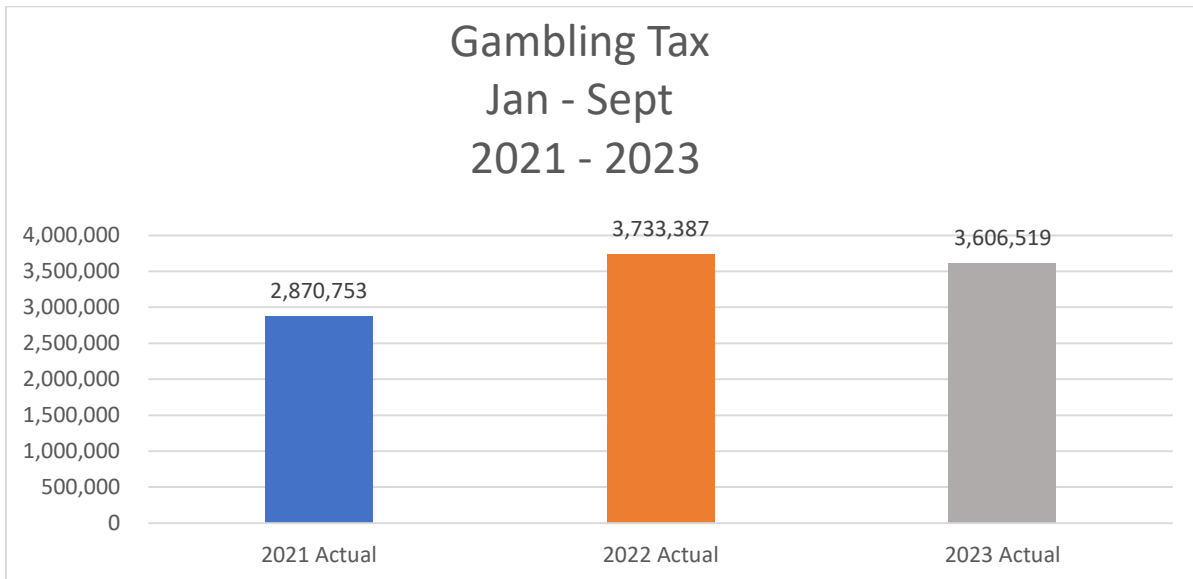
	2022	2023	\$ Change	% Change
Utility Tax-IF Surface Water	738,913	777,822	38,909	5.3%
Utility Tax-Interfund Sewer	705,428	766,427	60,999	8.6%
Utility Tax-Interfund Water	556,426	616,489	60,063	10.8%
Total	2,000,766	2,160,738		



Gambling Tax

2023 Allocated Budget	2021 Actual	2022 Actual	2023 Actual	Actual less Budget	2023 YTD vs 2022 YTD \$ Diff	% Diff
3,547,750	2,870,753	3,733,387	3,606,519	58,769	(126,868)	-3.4%

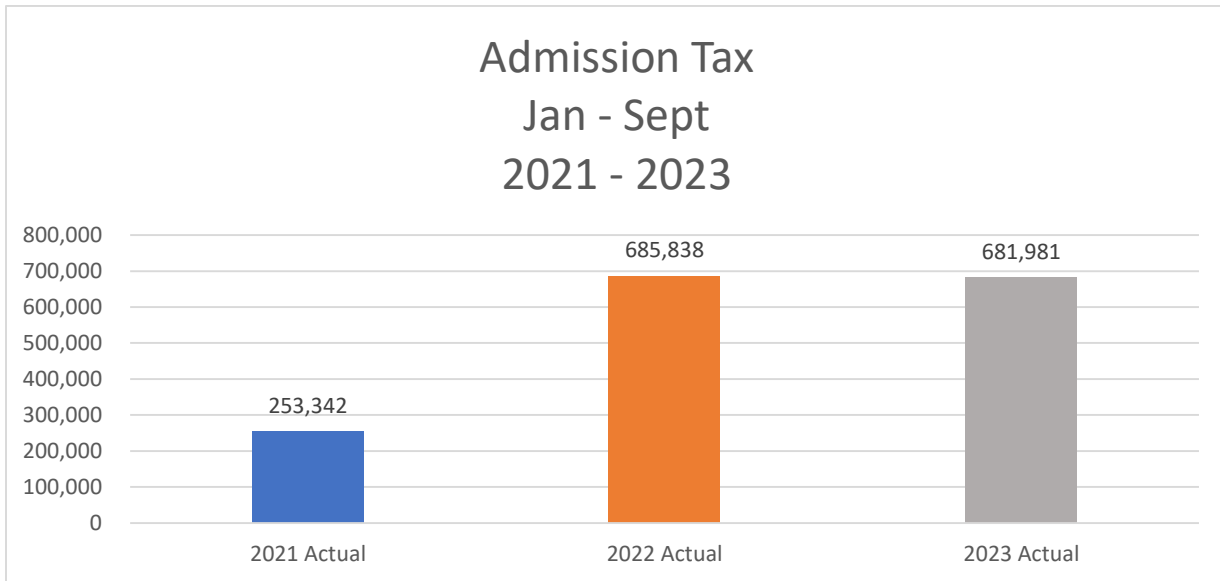
Gambling Tax revenue increased sharply in 2022 over 2021. Third quarter reports a slight cooling off compared to the same period last year. However, Q3 slightly exceeded budget, demonstrating the anticipated slight dip in Gambling Tax revenues.



Admission Tax

2023 Allocated Budget	2021 Actual	202 Actual	2023 Actual	Actual less Budget	2023 YTD vs 2022 YTD \$ Diff	% Diff
731,161	253,342	685,838	681,981	(49,180)	(3,857)	-0.6%

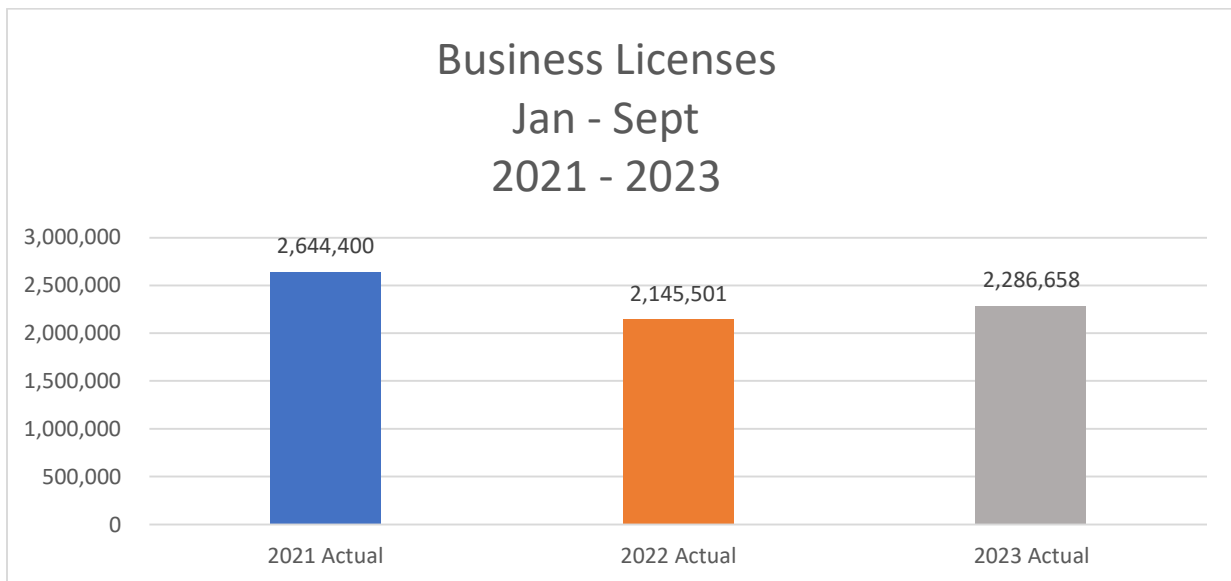
Admission tax is trending at a similar pace to the prior year. Current revenues are down less than 1%, compared to the same time last year.



Business Licenses

2023 Allocated Budget	2021 Actual	2022 Actual	2023 Actual	Actual less Budget	2023 YTD vs 2022 YTD \$ Diff	% Diff
2,301,683	2,644,400	2,145,501	2,286,658	(15,025)	141,157	6.6%

Business License revenue has been down over the past few years. As we emerge from the pandemic, businesses are still reporting challenges in the ability to attract candidates to fill employment vacancies. Early in 2023 the Director of Security at Westfield Mall came to Council and shared that businesses within the mall are having difficulty filling positions due to safety concerns of potential job candidates. Council responded by passing a budget that fully funded Public Safety. Local businesses are reporting a light increase (1.7%) over the prior year. Non-Residential Business licenses have improved by greater than 5% over the same period last year.



	2022	2023	# Change	% Change
Tukwila Businesses	2,291	2,329	38	1.7%
Non-Residential Business Licenses	2,701	2,922	221	8.2%
Total Business Licenses	4,992	5,251	259	5.2%

Building Permits

2023 Allocated Budget	2021 Actual	2022 Actual	2023 Actual	Actual less Budget	2023 YTD vs 2022 YTD \$ Diff	% Diff
1,304,745	1,266,110	1,465,127	1,862,306	557,561	397,179	27.1%

Building permits have been showing steady growth over the past three years.



Building permits have increased in both volume and valuation. YTD the number of permits issues has increased by almost 30%. The valuation has increased by about 3% over the same period last year. Building Permits is a volatile revenue stream that is difficult to predict with any amount of certainty.

	2022	2023	Change	% Change
# of Permits	1,126	1,439	313	27.8%
Valuation of Permits	\$151,835,692	\$156,003,356	\$4,167,664	2.7%

EXPENDITURES

General Fund departmental expenditures totaled \$49.9 million through September, which is \$2.4 million below the allocated budget of \$52 million. Department 20, which transfers to other funds, reported \$4.65 million in expenditures. This number reflects transactions for debt payments and interfund activity. In total the General Fund activity YTD as of the end of September was \$54.56 million, which is 2.6 below the allocated budget. However, due to ongoing labor negotiations, the \$2.6 million under budget does not represent savings.

DEPARTMENT	BUDGET		ACTUAL			Allocated Budget vs Actual OVER/(UNDER)	%	\$ Change	% Change
	2023 Annual	2023 Allocated	2021	2022	2023				
	City Council	384,889	286,333	253,457	263,478	273,753	(12,580)	71.1%	10,275
Mayor's Office	2,502,666	1,900,892	1,462,714	1,532,984	1,592,997	(307,895)	63.7%	60,013	3.9%
Administrative Services	5,676,491	4,166,583	3,511,068	3,414,056	4,777,319	610,736	84.2%	1,363,263	39.9%
Finance Department	3,868,642	2,849,613	1,973,945	2,471,281	2,481,681	(367,932)	64.1%	10,400	0.4%
Rec Dept / Parks Maint	5,109,490	3,965,438	3,110,182	3,623,904	3,751,451	(213,987)	73.4%	127,547	3.5%
Community Dev	4,672,314	3,498,530	2,870,673	3,066,304	3,374,793	(123,736)	72.2%	308,489	10.1%
Municipal Court	1,741,340	1,306,005	905,547	1,148,351	1,194,503	(111,502)	68.6%	46,152	4.0%
Police Department	22,746,448	17,034,293	13,269,954	13,783,111	15,559,019	(1,475,274)	68.4%	1,775,907	12.9%
Fire Department	14,790,120	11,264,770	10,124,717	10,788,292	11,486,993	222,223	77.7%	698,700	6.5%
PW Dept / Street Maint	7,574,988	6,047,440	5,074,768	5,296,669	5,407,255	(640,185)	71.4%	110,586	2.1%
Subtotal	69,067,388	52,319,897	42,557,026	45,388,431	49,899,764	(2,420,132)	72.2%	4,511,333	9.9%
Non Departmental	6,688,881	4,825,723	3,793,874	7,588,145	4,655,390	(170,333)	69.6%	(2,932,755)	-38.6%
Total Expenditures	75,756,269	57,145,620	46,350,900	52,976,577	54,555,154	(2,590,465)	72.0%	1,578,577	3.0%
						% of Year	75.0%		

As of the end of September, all departments except Administrative Services and Fire are operating within their allocated budgets. The overage in Administrative Services is attributed to the Private LTE project that will be reimbursed by a state grant. The increase in Fire is due to higher than anticipated contracted services including overtime and increased call volume with dispatch services.

The table below displays General Fund expenditures by category. All categories are performing within budgetary expectations. Salaries & Wages appear to be significantly below budget. This does not represent a savings. The City has been involved in ongoing labor discussions. Upon completion of negotiations there is an expectation of a retroactive payment of salaries that will bring the account in line with expectations.

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Encumbrances	Variance Over/(Under) Annual Budget	% of Annual Budget
EXPENDITURES:							
Salaries & Wages	27,561,307	-	27,561,307	18,928,035		(8,633,272)	68.7%
Benefits	10,858,318	50,000	10,908,318	7,334,654		(3,573,664)	67.5%
Supplies	678,334	90,880	769,214	310,859		(458,355)	45.8%
Repair & Maintenance Supplies	450,010	-	450,010	280,052		(169,958)	62.2%
Resale Supplies	2,500	-	2,500	-		(2,500)	0.0%
Small Tools	213,203	-	213,203	62,264		(150,939)	29.2%
Technology Supplies	110,798	232,416	343,214	270,859		(72,354)	244.5%
Fleet Supplies	7,000	-	7,000	4,758		(2,242)	68.0%
Professional Services	21,798,538	1,208,794	23,007,332	16,773,810		(6,233,521)	76.9%
Communications	440,528	-	440,528	328,380		(112,148)	74.5%
Professional Development	570,360	690	571,050	321,328		(249,722)	56.3%
Advertising	66,300	-	66,300	26,396		(39,904)	39.8%
Rentals	1,298,060	-	1,298,060	898,633		(399,426)	69.2%
Technology Services	1,031,264	-	1,031,264	710,731		(320,533)	68.9%
Utilities	2,244,354	-	2,244,354	2,003,235		(241,119)	89.3%
Repairs & Maintenance Services	1,286,418	-	1,286,418	1,017,489		(268,929)	79.1%
Other Expenditures	1,012,899	(325,000)	687,899	390,786		(297,113)	38.6%
Total Operating Expenditures	69,630,190	1,257,780	70,887,970	49,662,270	-	(21,225,700)	71.3%
Machinery & Equipment	420,000	807,831	1,227,831	1,082,062		(145,769)	257.6%
Transfers Out	5,706,078	122,151	5,828,229	3,810,823		(2,017,407)	66.8%
Total NonOperating Expenditures	6,126,078	929,982	7,056,060	4,892,884	-	(2,163,176)	79.9%
Total Expenditures	75,756,268	2,187,762	77,944,030	54,555,154	-	(23,388,876)	72.0%
Beginning Fund Balance	19,085,142	(2,840,262)	16,244,880	16,244,880			
Change in Fund Balance	(3,916,634)	464,849	(3,451,785)	(2,842,532)			
Ending Fund Balance	\$15,168,508		\$ 12,793,095	\$ 13,402,349			

CITY OF TUKWILA

2023 3rd QUARTER FINANCIAL REPORT

OTHER FUNDS FINANCIAL REPORT

Other Funds

Capital Projects

Q3 saw ongoing developments in capital projects. The Allentown Truck Reroute project recommended alternatives for further consideration. The Transportation Element Comp Plan incorporated community input into draft transportation networks. West Valley Highway (I405 to Strander) Project completed significant work, including stripping and installations. Construction progressed on Overlay & Repair, and Foster Point Repairs were completed in Bridge Inspections. S 152nd Safe Routes to School moved forward with design, and ADA improvements were embedded into ongoing projects. Public Works Shops Phase 1 and Phase 2 advanced with roofing and painting updates.

Utility Funds

In the third quarter, Utility projects achieved significant milestones. The Levee Certification/Green River Corridor project involved ongoing collaboration with the Army Corps of Engineers. Regulatory reviews continued for the Surface Water, Water & Sewer Comprehensive Plans, while the Surface Water Comp Plan was actively developed. The GIS Utilities Inventory project, now nearing completion, benefited from the hired GIS Field Technician's contributions. Construction progressed for the S 152nd Waterline Extension. Gilliam Creek Fish Barrier Removal and Nelsen Side Channel projects advanced with ongoing design work. Stormwater Quality Retrofit reached the 90% design stage, and the City pursued wetland delineation for S 131st Drainage Improvements. The Annual Small Drainage Program secured a design consultant, and NPDES Program compliance was ensured through the successful hiring of new inspectors. The Green the Green project, involving grants and vegetation management, continued, and the Chinook Wind Public Access/Extension project received a grant of \$280,000 for design activities.

Foster Golf Course

Foster Golf Course entered into a strategic partnership with GolfNow, a prominent player in the online tee time booking service sector. This business arrangement has not only facilitated an upgraded website for Foster Golf Course but has also resulted in increased online visibility, amplifying the course's presence during customer searches for golf facilities. Leveraging these enhancements, the department management successfully justified a modest adjustment in Green Fees, aligning the cost of a round of golf with that of other municipal golf courses in the city.

Equipment Rental

The Equipment Rental Fund has strategically leveraged the Enterprise Fleet Leasing program by adding twelve new patrol vehicles into its fleet, thereby completing the implementation of the Police Department's take-home vehicle program. This initiative not only enhances response times but also strengthens the Police Department's competitive edge in attracting new officers and recruits.

Additionally, the utilization of the fleet leasing program has enabled the Equipment Rental department to capitalize on surplus vehicles during opportune periods, leading to elevated resale values. The department has realized a noteworthy sum of \$326,067 from the Sale of Capital Assets, surpassing the budget by \$164,317 (201.6%). This financial achievement underscores the effective management and optimization of resources within the department.

Lodging Tax

Lodging tax revenue is on pace to meet and exceed budget. Lodging tax revenue through September is \$787k and exceeds allocated budget by \$61k.

Drug Seizure

For the period January 1st through September 30th, 2023, the seizure fund brought in \$79,010 through the Dept of Justice's Equitable Sharing program and \$63,433 of funds spent from these Seizure Funds was reimbursed by the Associated of Washington Cities via their Alternative Response Team Grant (this is the program that partially funds the Police Department's Mental Health Co-Responder program).

On the expenditure side, the Police Department sent \$82,322 to Sound Mental Health as contracted compensation for our two Mental Health Co-Responders (a portion of these expenditures will be returned to us via the grant). The Police Department also spent \$11,423 of these Seizure Funds to replace our Special Response Team's (SWAT) ballasted-rated helmets and \$6,716 on a software program used by our detectives to aid them in solving felony crimes.

Debt Service Funds

Debt Service is funded by budgetary approved interfund transfers. All long-term debt obligations are paid timely and in accordance with the debt schedule.

Insurance – Active Employees / Insurance LEOFF 1 Retirees Funds

The Insurance funds are trending as anticipated. The funds are adequately funded, and Program Cost expenditures are slightly under budget. Both funds are stable and well positioned heading into Q4.

City of Tukwila
Contingency Fund
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Investment Earnings	20,000	100,000	120,000	132,388	12,388	661.9%
Transfers In	-	170,470	170,470	-	(170,470)	0.0%
Total Revenues	20,000	270,470	290,470	132,388	(158,082)	661.9%
EXPENDITURES:						
Total Expenditures	-	-	-	-	-	0.0%
Beginning Fund Balance	7,042,148	(295,673)	6,746,475	6,746,475		
Change in Fund Balance	20,000	270,470	290,470	132,388		
Ending Fund Balance	\$ 7,062,148		\$ 7,036,945	\$ 6,878,864		

City of Tukwila
Hotel/Motel Tax Special Rev Fd
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Hotel/Motel Tax	720,000	-	720,000	700,171	(19,829)	97.2%
Investment Earnings	6,000	-	6,000	86,776	80,776	1446.3%
Total Revenues	726,000	-	726,000	786,947	60,947	108.4%
EXPENDITURES:						
Salaries & Wages	68,766	-	68,766	52,320	(16,446)	76.1%
Benefits	22,631	-	22,631	13,143	(9,488)	58.1%
Supplies	2,000	-	2,000	154	(1,846)	7.7%
Professional Services	375,000	-	375,000	150,033	(224,967)	40.0%
Professional Development	21,500	-	21,500	2,731	(18,769)	12.7%
Advertising	350,000	-	350,000	71,426	(278,574)	20.4%
Technology Services	2,500	-	2,500	1,323	(1,177)	52.9%
Other Expenditures	70,000	-	70,000	-	(70,000)	0.0%
Total Operating Expenditures	912,397	-	912,397	291,131	(621,266)	31.9%
Indirect Cost Allocation	26,493	-	26,493	19,872	(6,621)	75.0%
Total NonOperating Expenditures	26,493	-	26,493	19,872	(6,621)	75.0%
Total Expenditures	938,890	-	938,890	311,003	(627,887)	33.1%
Beginning Fund Balance	2,048,201	294,218	2,342,419	2,342,419		
Change in Fund Balance	(212,890)	-	(212,890)	475,944		
Ending Fund Balance	\$ 1,835,311		\$ 2,129,529	\$ 2,818,363		

City of Tukwila
Drug Seizure Fund
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Grant Revenues	-	60,000	60,000	63,433	3,433	0.0%
Intergovernmental Revenue	35,000	-	35,000	79,010	44,010	225.7%
Other Income	80,000	-	80,000	-	(80,000)	0.0%
Investment Earnings	500	-	500	-	(500)	0.0%
Total Revenues	115,500	60,000	175,500	142,443	(33,057)	123.3%
EXPENDITURES:						
Salaries & Wages	100,107	(100,107)	-	-	-	0.0%
Benefits	48,901	(48,901)	-	-	-	0.0%
Supplies	10,000	-	10,000	-	(10,000)	0.0%
Small Tools	19,000	-	19,000	11,423	(7,577)	60.1%
Professional Services	15,000	149,008	164,008	82,322	(81,686)	548.8%
Professional Development	16,000	-	16,000	-	(16,000)	0.0%
Technology Services	22,000	-	22,000	6,716	(15,284)	30.5%
Total Operating Expenditures	231,008	-	231,008	100,462	(130,546)	43.5%
Machinery & Equipment	35,000	-	35,000	-	(35,000)	0.0%
Total NonOperating Expenditures	35,000	-	35,000	-	(35,000)	0.0%
Total Expenditures	266,008	-	266,008	100,462	(165,546)	37.8%
Beginning Fund Balance	435,515	(140,295)	295,220	295,220		
Change in Fund Balance	(150,508)	60,000	(90,508)	41,981		
Ending Fund Balance	\$ 285,008		\$ 204,713	\$ 337,202		

City of Tukwila
LTGO Debt Service Fund
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
SCORE Contribution	376,876	-	376,876	-	(376,876)	0.0%
Transfers In	5,802,194	-	5,802,194	4,351,645	(1,450,549)	75.0%
Total Revenues	6,179,070	-	6,179,070	4,351,645	(1,827,425)	70.4%
EXPENDITURES:						
Principal	4,005,836	-	4,005,836	-	(4,005,836)	0.0%
Interest Expense	2,173,234	-	2,173,234	994,044	(1,179,190)	45.7%
Total Expenditures	6,179,070	-	6,179,070	994,044	(5,185,026)	16.1%
Beginning Fund Balance	-	-	-	-		
Change in Fund Balance	-	-	-	3,357,601		
Ending Fund Balance	\$ -		\$ -	\$ 3,357,601		

City of Tukwila
UTGO Debt Service Fund
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Property Tax	\$ 4,485,975	\$ -	\$ 4,485,975	\$ 2,473,800	\$ (2,012,175)	55.1%
Investment Earnings	1,200	-	1,200	41,650	40,450	3470.8%
Total Revenues	4,487,175	-	4,487,175	2,515,450	(1,971,725)	56.1%
EXPENDITURES:						
Principal	1,980,000	-	1,980,000	-	(1,980,000)	0.0%
Interest Expense	2,505,975	-	2,505,975	1,252,988	(1,252,988)	50.0%
Total Expenditures	4,485,975	-	4,485,975	1,252,988	(3,232,988)	27.9%
Beginning Fund Balance	314,818	87,811	402,630	402,630		
Change in Fund Balance	1,200	-	1,200	1,262,462		
Ending Fund Balance	\$ 316,018		\$ 403,830	\$ 1,665,092		

City of Tukwila
LID #33 & Guarantee Funds
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Special Assessment Interest	125,000	-	125,000	112,694	(12,306)	90.2%
Investment Earnings	3,000	-	3,000	28,509	25,509	950.3%
LID Assessment Principal	400,000	-	400,000	382,843	(17,157)	95.7%
Total Revenues	528,000	-	528,000	524,046	(3,954)	99.3%
EXPENDITURES:						
Principal	400,000	-	400,000	400,000	-	100.0%
Interest Expense	125,000	19,188	144,188	144,188	-	115.4%
Total Expenditures	525,000	19,188	544,188	544,188	-	103.7%
Beginning Fund Balance	1,345,636	(12,837)	1,332,799	1,332,799		
Change in Fund Balance	3,000	(19,188)	(16,188)	(20,141)		
Ending Fund Balance	\$ 1,348,636		\$ 1,316,612	\$ 1,312,658		

City of Tukwila
Residential Streets Fund
as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Solid Waste Utility Tax	650,000	-	650,000	650,000	-	100.0%
Grant Revenues	4,033,000	(4,000,000)	33,000	3,133	(29,867)	0.1%
State Entitlements	268,800	-	268,800	220,737	(48,063)	82.1%
Investment Earnings	1,000	-	1,000	23,351	22,351	2335.1%
Transfers In	400,000	-	400,000	7,201	(392,799)	1.8%
Total Revenues	5,352,800	(4,000,000)	1,352,800	904,424	(448,376)	16.9%
PROJECTS						
Traffic Calming/Residential Safety	650,000	(250,000)	400,000	65,720	(334,280)	10.1%
46th Ave S Safe Routes to School	510,000	(510,000)	-	-	-	0.0%
S 152nd St Safe Routes School	4,015,000	(4,015,000)	-	40,749	40,749	1.0%
S 119th St Br/ 42nd Ave S RRFB	250,000	-	250,000	114,699	(135,301)	45.9%
53rd Ave S	243,500	-	243,500	121,121	(122,379)	49.7%
42nd Ave S Phase III	243,500	-	243,500	121,370	(122,130)	49.8%
Total Expenditures by Project	5,912,000	(4,775,000)	1,137,000	463,659	(673,341)	7.8%
Beginning Fund Balance	847,903	(113,497)	734,407	734,407		
Change in Fund Balance	(559,200)		215,800	440,765		
Ending Fund Balance	\$ 288,703		\$ 950,207	\$ 1,175,171		

City of Tukwila
 Arterial Street Fund
 as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Solid Waste Utility Tax	490,000	-	490,000	319,683	(170,317)	65.2%
Parking Tax	600,000	-	600,000	594,268	(5,732)	99.0%
Real Estate Excise Tax (REET)	500,000	-	500,000	190,268	(309,732)	38.1%
Permits	-	-	-	831	831	0.0%
Franchise Fees	75,000	-	75,000	-	(75,000)	0.0%
Grant Revenues	2,779,000	-	2,779,000	513,326	(2,265,674)	18.5%
State Entitlements	144,800	-	144,800	112,785	(32,015)	77.9%
Traffic Impact Fees	200,000	-	200,000	765,241	565,241	382.6%
Fines and Penalties	-	-	-	11,081	11,081	0.0%
Concurrency Fees	80,000	-	80,000	166,534	86,534	208.2%
Investment Earnings	5,000	-	5,000	193,018	188,018	3860.4%
Total Revenues	4,873,800	-	4,873,800	2,867,035	(2,006,765)	58.8%
PROJECTS						
Transportation Elmnt-Comp Plan	300,000	(300,000)	-	180,610	180,610	60.2%
Annual Bridge Inspections	200,000	-	200,000	87,818	(112,182)	43.9%
Annual Overlay & Repair	1,400,000	-	1,400,000	1,119,538	(280,462)	80.0%
Annual Traffic Signals	130,000	-	130,000	43,205	(86,795)	33.2%
Annual Traffic Counts	-	-	-	6,000	6,000	0.0%
S 144th St Bridge - Sidewalks	100,000	(100,000)	-	261	261	0.3%
ADA Improvements 2015	50,000	-	50,000	306	(49,694)	0.6%
Green River Trail Improvements	1,297,000	(1,150,000)	147,000	89,051	(57,949)	6.9%
42nd Ave S Bridge Replacement	1,500,000	-	1,500,000	714,457	(785,543)	47.6%
Allentown Truck Reroute Proj	600,000	(750,000)	(150,000)	265,841	415,841	44.3%
Solid Waste Program	-	-	-	32,195	32,195	0.0%
Wetland Monitoring	-	-	-	8,476	8,476	0.0%
W Valley Hwy (I-405-Strander)	-	-	-	654,531	654,531	0.0%
Public Records Request	-	-	-	634	634	0.0%
Other/Misc	572,662	-	572,662	207,539	(365,122)	36.2%
Total Expenditures by Project	6,149,662	(2,300,000)	3,849,662	3,410,463	(439,199)	55.5%
Beginning Fund Balance	6,570,879	(1,036,386)	5,534,493	5,534,493		
Change in Fund Balance	(1,275,862)	2,300,000	1,024,138	(543,427)		
Ending Fund Balance	\$ 5,295,017		\$ 6,558,631	\$ 4,991,065		

City of Tukwila

Land Acq., Rec. & Park Devlpmn

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Property Tax	\$ 165,000	\$ -	\$ 165,000	\$ 129,956	\$ (35,044)	78.8%
Real Estate Excise Tax (REET)	150,000	-	150,000	36,224	(113,776)	24.1%
Park Impact Fees	100,000	-	100,000	980,841	880,841	980.8%
Investment Earnings	8,000	-	8,000	122,618	114,618	1532.7%
Transfers In	64,250	51,681	115,931	64,250	(51,681)	100.0%
Total Revenues	487,250	51,681	538,931	1,333,888	794,957	273.8%
PROJECTS						
Art Projects	64,250	-	64,250	60,688	(3,562)	94.5%
Park Improvements	742,000	-	742,000	-	(742,000)	0.0%
Foster & TCC Parks Master Plan	-	-	-	2,588	2,588	0.0%
Parks Maintenance	-	-	-	147,719	147,719	0.0%
Multipurpose Trails	125,000	-	125,000	-	(125,000)	0.0%
Other/Misc	-	-	-	5,917	5,917	0.0%
Total Expenditures by Project	931,250	-	931,250	216,911	(714,339)	23.3%
Beginning Fund Balance	3,751,186	(681,383)	3,069,803	3,069,803		
Change in Fund Balance	(444,000)	51,681	(392,319)	1,116,977		
Ending Fund Balance	\$ 3,307,186		\$ 2,677,484	\$ 4,186,781		

City of Tukwila

Urban Renewal

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Investment Earnings	-	-	-	64,184	64,184	0.0%
Sale of Capital Assets	1,350,000	-	1,350,000	(296,496)	(1,646,496)	-22.0%
Total Revenues	1,350,000	-	1,350,000	(232,312)	(1,582,312)	-17.2%
EXPENDITURES:						
Utilities	-	-	-	3,927	3,927	0.0%
Transfers Out	300,000	730,000	1,030,000	-	(1,030,000)	0.0%
Total Expenditures	300,000	730,000	1,030,000	3,927	(1,026,073)	1.3%
Beginning Fund Balance	1,183,800	220,443	1,404,242	3,411,652		
Change in Fund Balance	1,050,000	(730,000)	320,000	(236,239)		
Ending Fund Balance	\$ 2,233,800		\$ 1,724,242	\$ 3,175,413		

City of Tukwila

General Government Improvements

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Grant Revenues	1,800,000	(1,800,000)	-	-	-	0.0%
Investment Earnings	1,000	-	1,000	17,323	16,323	1732.3%
Transfers In	100,000	(100,000)	-	-	-	0.0%
Total Revenues	1,901,000	(1,900,000)	1,000	17,323	16,323	0.9%
PROJECTS						
TC HVAC Replacement	2,000,000	(1,865,000)	135,000	-	(135,000)	0.0%
Citywide Facilities Plan	340,000	(340,000)	-	-	-	0.0%
City Hall Siding Repairs	-	149,200	149,200	149,185	(15)	0.0%
Other/Misc	5,128	-	5,128	-	(5,128)	0.0%
Total Expenditures by Project	2,345,128	(2,055,800)	289,328	149,185	(140,143)	6.4%
Beginning Fund Balance	444,128	109,258	553,386	553,386		
Change in Fund Balance	(444,128)	155,800	(288,328)	(131,862)		
Ending Fund Balance	\$ -		\$ 265,058	\$ 421,524		

City of Tukwila

Fire Improvements

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Fire Impact Fees	300,000	450,000	750,000	697,505	(52,495)	232.5%
Total Revenues	300,000	450,000	750,000	697,505	(52,495)	232.5%
EXPENDITURES:						
Transfers Out	300,000	450,000	750,000	-	(750,000)	0.0%
Total Expenditures	300,000	450,000	750,000	-	(750,000)	0.0%
Beginning Fund Balance	-	-	-	-		
Change in Fund Balance	-	-	-	697,505		
Ending Fund Balance	\$ -		\$ -	\$ 697,505		

City of Tukwila

Public Safety Plan

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Real Estate Excise Tax (REET)	500,000	-	500,000	154,045	(345,955)	30.8%
Fire Impact Fees	300,000	-	300,000	-	(300,000)	0.0%
Investment Earnings	-	-	-	36,625	36,625	0.0%
Transfers In	300,000	450,000	750,000	-	(750,000)	0.0%
Total Revenues	1,100,000	450,000	1,550,000	190,670	(1,359,330)	17.3%
EXPENDITURES:						
Repairs & Maintenance Services	-	-	-	(1,700)	(1,700)	0.0%
Transfers Out	1,319,019	-	1,319,019	-	(1,319,019)	0.0%
Total Expenditures	1,319,019	-	1,319,019	(1,700)	(1,320,719)	-0.1%
Beginning Fund Balance	538,557	453,309	991,865	991,865		
Change in Fund Balance	(219,019)	450,000	230,981	192,369		
Ending Fund Balance	\$ 319,538		\$ 1,222,846	\$ 1,184,235		

City of Tukwila

City Facilities

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Investment Earnings	1,000	-	1,000	26,541	25,541	2654.1%
Transfers In	2,140,000	1,000,000	3,140,000	-	(3,140,000)	0.0%
Total Revenues	2,141,000	1,000,000	3,141,000	26,541	(3,114,459)	1.2%
PROJECTS						
Public Works Shops	2,500,000	200,000	2,700,000	1,779,370	(920,630)	71.2%
Minkler Improvements	200,000	(200,000)	-	-	-	0.0%
Other/Misc	-	-	-	-	-	0.0%
Total Expenditures by Project	2,700,000	-	2,700,000	1,779,370	(920,630)	65.9%
Beginning Fund Balance	2,274,324	(314,958)	1,959,366	1,959,366		
Change in Fund Balance	(559,000)	1,000,000	441,000	(1,752,829)		
Ending Fund Balance	\$ 1,715,324		\$ 2,400,366	\$ 206,537		

City of Tukwila

Water Utility Fund

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Water Sales	7,647,000	-	7,647,000	6,161,545	(1,485,455)	80.6%
Security Revenue	-	-	-	8,557	8,557	0.0%
Interest on Receivables	21,000	-	21,000	19,143	(1,857)	91.2%
Total Operating Revenues	7,668,000	-	7,668,000	6,189,245	(1,478,755)	80.7%
Investment Earnings	60,000	-	60,000	141,487	81,487	235.8%
Total Non-Operating Revenues	60,000	-	60,000	141,487	81,487	235.8%
Total Revenues	7,728,000	-	7,728,000	6,330,732	(1,397,268)	81.9%
EXPENDITURES:						
Salaries & Wages	707,380	-	707,380	547,612	(159,768)	77.4%
Benefits	274,851	-	274,851	251,367	(23,484)	91.5%
Supplies	29,000	-	29,000	13,027	(15,973)	44.9%
Repair & Maintenance Supplies	115,500	-	115,500	55,127	(60,373)	47.7%
Small Tools	14,000	-	14,000	6,915	(7,085)	49.4%
Technology Supplies	1,000	-	1,000	396	(604)	39.6%
Utility Fund Supplies	2,773,243	-	2,773,243	2,611,186	(162,057)	94.2%
Professional Services	115,491	-	115,491	181,510	66,019	157.2%
Communications	8,000	-	8,000	5,795	(2,205)	72.4%
Professional Development	12,000	-	12,000	12,477	477	104.0%
Advertising	-	-	-	1,459	1,459	0.0%
Rentals	1,600	-	1,600	1,782	182	111.4%
Technology Services	15,000	-	15,000	17,051	2,051	113.7%
Utilities	46,600	-	46,600	19,599	(27,001)	42.1%
Repairs & Maintenance Services	94,976	-	94,976	325,154	230,178	342.4%
Other Expenses	1,131,750	-	1,131,750	998,851	(132,899)	88.3%
Total Operating Expenditures	5,340,390	-	5,340,390	5,049,309	(291,082)	94.5%
Other Capital Improvements	50,000	-	50,000	-	(50,000)	0.0%
Construction Projects	1,880,000	-	1,880,000	466,103	(1,413,897)	24.8%
Principal	122,891	-	122,891	80,625	(42,266)	65.6%
Interest Expense	4,929	-	4,929	2,868	(2,062)	58.2%
Transfers Out	1,052,804	-	1,052,804	283,353	(769,451)	26.9%
Indirect Cost Allocation	740,347	-	740,347	555,264	(185,083)	75.0%
Total Non-Operating Expenditures	3,850,972	-	3,850,972	1,388,213	(2,462,759)	36.0%
Total Expenditures	9,191,362	-	9,191,362	6,437,522	(2,753,840)	70.0%
Beginning Fund Balance	4,690,562	479,614	5,170,176	5,170,176		
Change in Fund Balance	(1,463,362)	-	(1,463,362)	(106,790)		
Ending Fund Balance	\$ 3,227,200		\$ 3,706,814	\$ 5,063,386		

City of Tukwila
 Sewer Utility Fund
 as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year-to-Date Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:							
Sewer Sales	10,802,300	-	10,802,300	8,101,725	7,659,358	(3,142,942)	70.9%
Interest on Receivables	30,000	-	30,000	22,500	45,715	15,715	152.4%
Total Operating Revenues	10,832,300	-	10,832,300	8,124,225	7,705,073	(3,127,227)	71.1%
Investment Earnings	50,000	-	50,000	37,500	369,050	319,050	738.1%
Total Non-Operating Revenues	50,000	-	50,000	37,500	369,050	319,050	738.1%
Total Revenues	10,882,300	-	10,882,300	8,161,725	8,074,123	(2,808,177)	74.2%
EXPENDITURES:							
Salaries & Wages	947,190	-	947,190	710,393	648,398	(298,792)	68.5%
Benefits	340,550	-	340,550	255,414	282,750	(57,801)	83.0%
Supplies	6,200	-	6,200	4,650	4,512	(1,688)	72.8%
Repair & Maintenance Supplies	17,600	-	17,600	13,200	8,536	(9,064)	48.5%
Small Tools	5,000	-	5,000	3,750	3,439	(1,561)	68.8%
Technology Supplies	2,500	-	2,500	1,875	-	(2,500)	0.0%
Utility Fund Supplies	5,525,960	-	5,525,960	4,144,470	3,229,546	(2,296,414)	58.4%
Professional Services	253,437	-	253,437	197,312	244,816	(8,621)	96.8%
Communications	7,000	-	7,000	5,250	2,994	(4,006)	42.8%
Professional Development	5,000	-	5,000	3,750	1,827	(3,173)	36.5%
Advertising	-	-	-	-	1,535	1,535	0.0%
Rentals	24,916	-	24,916	18,687	17,199	(7,717)	69.0%
Technology Services	15,000	-	15,000	11,250	18,341	3,341	122.3%
Utilities	50,430	-	50,430	37,823	30,058	(20,372)	59.6%
Repairs & Maintenance Services	1,127,567	-	1,127,567	758,174	402,535	(725,032)	35.7%
Other Expenses	1,342,930	-	1,342,930	1,007,197	1,007,454	(335,476)	75.0%
Total Operating Expenditures	9,671,281	-	9,671,281	7,173,194	5,903,941	(3,767,340)	61.0%
Construction Projects	1,300,000	-	1,300,000	866,667	-	(1,300,000)	0.0%
Principal	334,223	-	334,223	233,436	233,436	(100,787)	69.8%
Interest Expense	13,813	-	13,813	8,897	8,897	(4,916)	64.4%
Transfers Out	605,949	-	605,949	460,963	175,962	(429,987)	29.0%
Indirect Cost Allocation	623,733	-	623,733	467,802	467,802	(155,931)	75.0%
Total Non-Operating Expenditures	2,877,719	-	2,877,719	2,037,764	886,097	(1,991,622)	30.8%
Total Expenditures	12,549,000	-	12,549,000	9,210,959	6,790,038	(5,758,962)	54.1%
Beginning Fund Balance	11,742,027	536,097	12,278,125		12,278,125		
Change in Fund Balance	(1,666,700)	-	(1,666,700)		1,284,085		
Ending Fund Balance	\$ 10,075,327		\$ 10,611,425		\$ 13,562,210		

City of Tukwila
 Foster Golf Course
 as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Gambling & Excise Taxes	3,000	-	3,000	-	(3,000)	0.0%
Greens Fees	1,412,500	100,000	1,512,500	1,608,022	95,522	113.8%
General Government Revenue	145,000	-	145,000	150,473	5,473	103.8%
Culture and Recreation Fees	2,000	-	2,000	1,405	(595)	70.3%
Other Revenue	10,000	-	10,000	28,686	18,686	286.9%
Total Operating Revenues	1,572,500	100,000	1,672,500	1,788,586	116,086	113.7%
Investment Earnings	2,000	-	2,000	51,472	49,472	2573.6%
Rent & Concessions	420,000	-	420,000	423,466	3,466	100.8%
Transfers In	300,000	-	300,000	225,000	(75,000)	75.0%
Sale of Capital Assets	-	-	-	12,800	12,800	0.0%
Total Non-Operating Revenues	722,000	-	722,000	712,738	(9,262)	98.7%
Total Revenues	2,294,500	100,000	2,394,500	2,501,323	106,823	109.0%
EXPENDITURES:						
Salaries & Wages	931,642	-	931,642	617,122	(314,519)	66.2%
Benefits	372,040	-	372,040	272,193	(99,847)	73.2%
Supplies	4,250	-	4,250	4,019	(231)	94.6%
Repair & Maintenance Supplies	83,500	-	83,500	106,965	23,465	128.1%
Resale Supplies	98,500	-	98,500	101,050	4,550	104.7%
Small Tools	4,500	-	4,500	82,565	78,065	1834.8%
Fleet Supplies	36,000	-	36,000	26,688	(9,312)	74.1%
Professional Services	32,575	25,000	57,575	56,816	(759)	174.4%
Communications	4,900	-	4,900	7,176	2,276	146.5%
Professional Development	1,935	-	1,935	1,990	55	102.8%
Advertising	5,000	-	5,000	4,476	(524)	89.5%
Rentals	39,000	-	39,000	28,167	(10,833)	72.2%
Technology Services	4,000	-	4,000	-	(4,000)	0.0%
Utilities	82,700	-	82,700	70,180	(12,520)	84.9%
Repairs & Maintenance Services	34,500	50,000	84,500	149,376	64,876	433.0%
Other Expenses	30,520	25,000	55,520	65,726	10,206	215.4%
Total Operating Expenditures	1,763,562	100,000	1,863,562	1,594,511	(269,051)	90.4%
Other Capital Improvements	230,000	80,000	310,000	-	(310,000)	0.0%
Machinery & Equipment	100,000	-	100,000	28,582	(71,418)	28.6%
Indirect Cost Allocation	219,309	-	219,309	164,484	(54,825)	75.0%
Total Non-Operating Expenditures	549,309	80,000	629,309	193,066	(436,243)	35.1%
Total Expenditures	2,312,871	180,000	2,492,871	1,787,577	(705,294)	77.3%

City of Tukwila
 Surface Water Utility Fund
 as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Surface Water Sales	7,717,500	-	7,717,500	7,767,059	49,559	100.6%
Grant Revenues	2,176,000	-	2,176,000	61,177	(2,114,823)	2.8%
Other Revenue	1,444,000	-	1,444,000	92,747	(1,351,253)	6.4%
Total Operating Revenues	11,337,500	-	11,337,500	7,920,983	(3,416,517)	69.9%
Investment Earnings	30,000	-	30,000	230,693	200,693	769.0%
Total Non-Operating Revenues	30,000	-	30,000	230,693	200,693	769.0%
Total Revenues	11,367,500	-	11,367,500	8,151,677	(3,215,823)	71.7%
EXPENDITURES:						
Salaries & Wages	1,555,045	-	1,555,045	906,268	(648,777)	58.3%
Benefits	700,378	-	700,378	413,927	(286,451)	59.1%
Supplies	20,300	-	20,300	15,053	(5,247)	74.2%
Repair & Maintenance Supplies	17,500	-	17,500	11,870	(5,630)	67.8%
Small Tools	6,500	-	6,500	9,057	2,557	139.3%
Technology Supplies	500	-	500	1,604	1,104	320.8%
Professional Services	4,103,137	-	4,103,137	503,787	(3,599,350)	12.3%
Communications	7,100	-	7,100	7,677	577	108.1%
Professional Development	7,990	-	7,990	6,126	(1,864)	76.7%
Advertising	-	-	-	1,939	1,939	0.0%
Rentals	4,000	-	4,000	12	(3,988)	0.3%
Technology Services	3,000	-	3,000	16,887	13,887	562.9%
Utilities	90,685	-	90,685	18,170	(72,515)	20.0%
Repairs & Maintenance Services	59,000	-	59,000	35,999	(23,001)	61.0%
Other Expenses	862,475	-	862,475	853,337	(9,138)	98.9%
Total Operating Expenditures	7,437,610	-	7,437,610	2,801,713	(4,635,897)	37.7%
Other Capital Improvements	900,000	-	900,000	-	(900,000)	0.0%
Construction Projects	1,687,000	-	1,687,000	30,114	(1,656,886)	1.8%
Principal	278,863	-	278,863	259,356	(19,507)	93.0%
Interest Expense	4,497	-	4,497	3,545	(952)	78.8%
Transfers Out	1,441,612	-	1,441,612	377,959	(1,063,653)	26.2%
Indirect Cost Allocation	659,842	-	659,842	494,883	(164,959)	75.0%
Total NonOperating Expenditures	4,971,813	-	4,971,813	1,165,857	(3,805,957)	23.4%
Total Expenditures	12,409,424	-	12,409,424	3,967,570	(8,441,854)	32.0%

City of Tukwila
 Equipment Rental
 as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Transportation Revenue	2,056,241	-	2,056,241	1,542,176	(514,065)	75.0%
Sale of Scrap	-	-	-	85	85	0.0%
Investment Earnings	20,000	-	20,000	153,136	133,136	765.7%
Sale of Capital Assets	161,750	-	161,750	326,067	164,317	201.6%
Total Revenues	2,237,991	-	2,237,991	2,021,464	(216,527)	90.3%
EXPENDITURES:						
Salaries & Wages	476,273	-	476,273	257,869	(218,404)	54.1%
Benefits	227,102	-	227,102	130,659	(96,443)	57.5%
Supplies	3,350	-	3,350	2,316	(1,034)	69.1%
Repair & Maintenance Supplies	-	-	-	643	643	0.0%
Small Tools	10,750	-	10,750	4,482	(6,268)	41.7%
Technology Supplies	6,200	-	6,200	339	(5,861)	5.5%
Fleet Supplies	710,000	-	710,000	528,218	(181,783)	74.4%
Professional Services	102,100	-	102,100	101,917	(183)	99.8%
Communications	5,000	-	5,000	3,564	(1,436)	71.3%
Professional Development	5,850	-	5,850	5,802	(48)	99.2%
Advertising	-	-	-	50	50	0.0%
Rentals	1,500	-	1,500	273,847	272,347	18256.5%
Technology Services	10,500	-	10,500	4,684	(5,816)	44.6%
Utilities	4,000	-	4,000	764	(3,236)	19.1%
Repairs & Maintenance Services	153,771	-	153,771	200,143	46,372	130.2%
Other Expenses	500	-	500	-	(500)	0.0%
Total Operating Expenditures	1,716,896	-	1,716,896	1,515,298	(201,599)	88.3%
Machinery & Equipment	1,143,556	-	1,143,556	147,238	(996,318)	12.9%
Indirect Cost Allocation	350,392	-	350,392	262,791	(87,601)	75.0%
Total NonOperating Expenditures	1,493,948	-	1,493,948	410,029	(1,083,919)	27.4%
Total Expenditures	3,210,844	-	3,210,844	1,925,326	(1,285,518)	60.0%
Beginning Fund Balance	4,322,760	(100,403)	4,222,357	4,222,357		
Change in Fund Balance	(972,853)	-	(972,853)	96,138		
Ending Fund Balance	\$ 3,349,907		\$ 3,249,504	\$ 4,318,495		

City of Tukwila

Insurance - Active Employees

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Investment Earnings	6,000	-	6,000	149,059	143,059	2484.3%
Employee Trust Contributions	294,885	-	294,885	117,362	(177,523)	39.8%
Employer Trust Contributions	5,903,457	-	5,903,457	4,202,484	(1,700,973)	71.2%
Total Revenues	6,204,342	-	6,204,342	4,468,905	(1,735,437)	72.0%
EXPENDITURES:						
Insurance Program Costs	5,750,222	-	5,750,222	4,102,303	(1,647,919)	71.3%
Supplies	-	-	-	628	628	0.0%
Professional Services	100,000	-	100,000	47,577	(52,423)	47.6%
Other Expenses	21,000	-	21,000	102	(20,898)	0.5%
Total Operating Expenditures	5,871,222	-	5,871,222	4,150,610	(1,720,612)	70.7%
Indirect Cost Allocation	189,639	-	189,639	142,227	(47,412)	75.0%
Total NonOperating Expenditures	189,639	-	189,639	142,227	(47,412)	75.0%
Total Expenditures	6,060,861	-	6,060,861	4,292,837	(1,768,024)	70.8%
Beginning Fund Balance	764,171	1,607,526	2,371,697	2,371,697		
Change in Fund Balance	143,481	-	143,481	176,068		
Ending Fund Balance	\$ 907,652		\$ 2,515,178	\$ 2,547,766		

City of Tukwila

Insurance - LEOFF I Retirees

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Investment Earnings	500	-	500	5,583	5,083	1116.6%
Employer Trust Contributions	350,000	50,000	400,000	239,738	(160,262)	68.5%
Total Revenues	350,500	50,000	400,500	245,321	(155,179)	70.0%
EXPENDITURES:						
Insurance Program Costs	426,296	-	426,296	348,239	(78,057)	81.7%
Professional Services	5,000	-	5,000	-	(5,000)	0.0%
Other Expenses	500	-	500	-	(500)	0.0%
Total Operating Expenditures	431,796	-	431,796	348,239	(83,557)	80.6%
Indirect Cost Allocation	12,642	-	12,642	9,486	(3,156)	75.0%
Total NonOperating Expenditures	12,642	-	12,642	9,486	(3,156)	75.0%
Total Expenditures	444,438	-	444,438	357,725	(86,713)	80.5%
Beginning Fund Balance	258,737	(84,183)	174,554	174,554		
Change in Fund Balance	(93,938)	50,000	(43,938)	(112,404)		
Ending Fund Balance	\$ 164,799		\$ 130,616	\$ 62,150		

City of Tukwila

Firemen's Pension Fund

as of September 30, 2023

	Annual Budget	Budget Amendments (Consensus)	Revised Annual Budget	Year to Date Actual	Variance Over/(Under) Annual Budget	% of Annual Budget
REVENUE:						
Fire Insurance Premium Tax	74,000	-	74,000	86,708	12,708	117.2%
Investment Earnings	1,500	-	1,500	55,424	53,924	3694.9%
Total Revenues	75,500	-	75,500	142,132	66,632	188.3%
EXPENDITURES:						
Benefits	60,000	-	60,000	-	(60,000)	0.0%
Professional Services	2,000	-	2,000	-	(2,000)	0.0%
Total Operating Expenditures	62,000	-	62,000	-	(62,000)	0.0%
Total NonOperating Expenditures	-	-	-	-	-	0.0%
Total Expenditures	62,000	-	62,000	-	(62,000)	0.0%
Beginning Fund Balance	1,543,370	22,737	1,566,108	1,566,108		
Change in Fund Balance	13,500	-	13,500	142,132		
Ending Fund Balance	\$ 1,556,870		\$ 1,579,608	\$ 1,708,240		



TO: Finance and Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Julie Hatley, ARPA Funds Analyst

CC: Mayor McLeod

DATE: March 25, 2024

SUBJECT: Total 2023 American Rescue Plan Act (ARPA) Expenditures & Community Benefits

ISSUE

Staff is reporting the total 2023 ARPA-funded expenditures, and information detailing the benefits of the expenditures to the community, per 2023 budget allocations approved by City Council through the 2023-2024 biennial budget process.

BACKGROUND

On March 10, 2021, a \$1.9 trillion relief package, known as the American Rescue Plan Act, was approved and provided funding in several areas including state and local aid, education, rental assistance, and transit. The City was allocated \$5.68 million with the first half received in June of 2021 and the second half received in July of 2022. Funds must be spent or contractually committed by December 31, 2024.

DISCUSSION

The tables that follow outline total 2023 ARPA-funded expenditures from January 1, 2023, to December 31, 2023, per data available through January 31, 2024. Each expenditure meets Treasury compliance requirements and directly or indirectly benefits the visitors, residents, and businesses in our community.

Administrative Services:

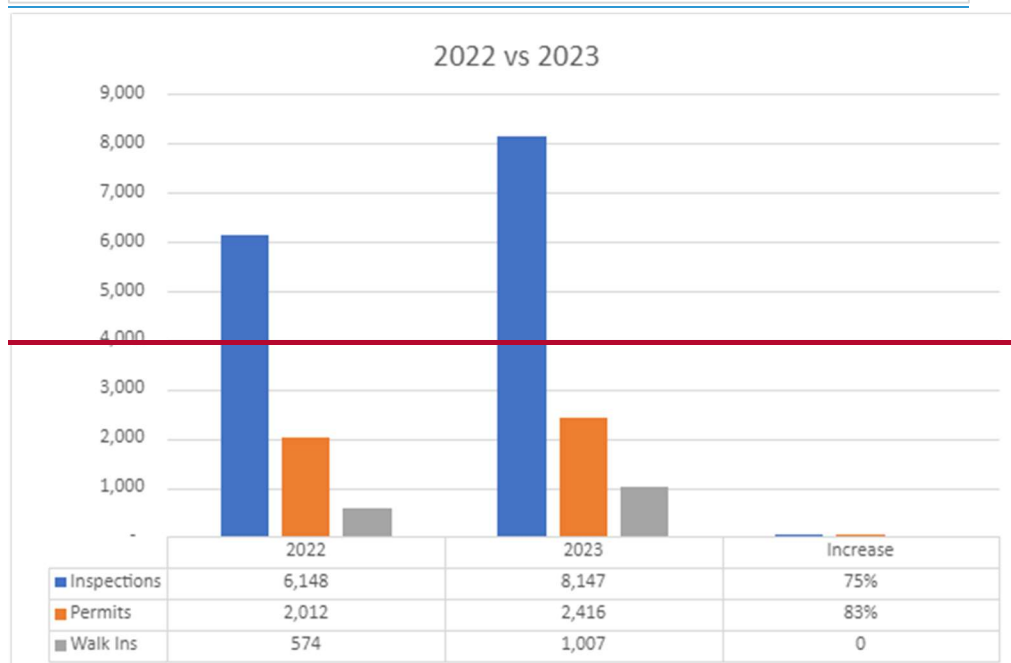
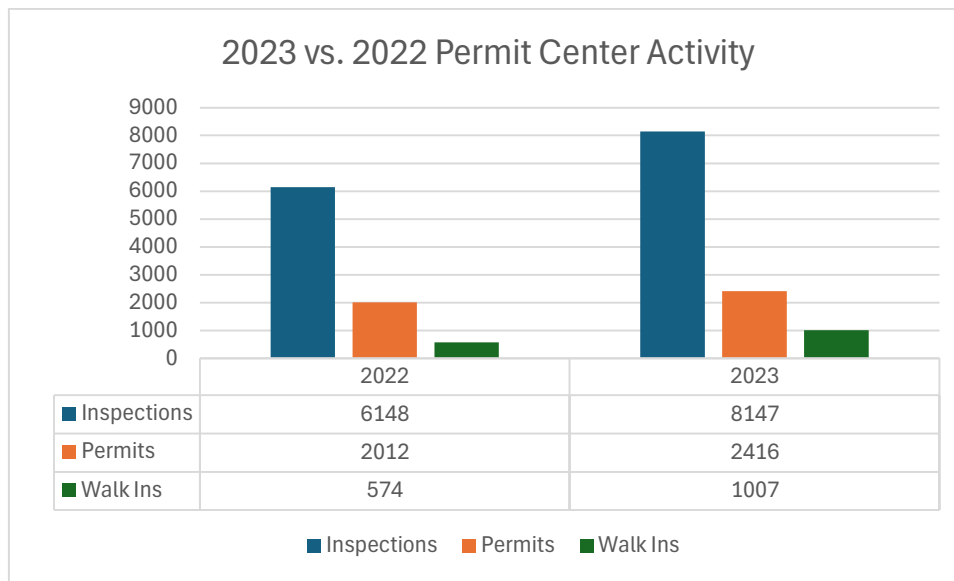
Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
DarkTrace Cyber Security	\$25,000	\$28,239	*Specific details not released to ensure security risk is not created. *Over budget by \$3,239.

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
Leadership Initiative (TCLI)	\$25,000	\$22,092	*Community-led program – supported by the City of Tukwila – to increase and build upon existing and future leaders in civic engagement, City services, policies and programs. *Led with equity lens and embrace inclusivity for betterment of Tukwila’s diverse community. *Program relaunched October 2023 with twelve community members, from various backgrounds, who attended seven weeks of programming. *Guest speakers and themed meetings focused on learning, community-building, and understanding how local government impacts the community. *Participants were able to identify important issues and advocate for change that helps all Tukwila communities thrive.

Community Development:

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
Permit Processing (2 positions)	\$246,429	\$237,222	<p>*Permit Center service capacities increased in 2023 compared to 2022. See graph.</p> <p>*Comparison of 2022 vs. 2023 walk-in traffic not provided by Permit Center due to doors not open to public until March 2022.</p> <p>*In January 2023, Permit Center increased public access days from two to three days per week.</p> <p>*In September 2021, there was backlog of over 200 permits that were overdue. Today there are no overdue permits or backlog of reviews.</p> <p>*Still open 3 days/week to public. Available 5 days/week via phone, email, plus ability to schedule appointments online with Microsoft Bookings on website.</p> <p>*DCD is consistently updates forms, handouts, and website due to code and policy changes to keep customers informed and updated.</p> <p>*Newly adopted 2021 International Building Codes effective on March 15th.</p> <p>*Permit Center is fully staffed at six positions (two staff out on medical leave).</p>

Permit Processing Increased Service Capacity in 2023 Compared to 2022



Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
ARPA Funds Analyst	\$141,511	\$126,779	<p>*Reconciled each individual expenditure for all department allocations (monthly, quarterly, half-yearly, and annually).</p> <p>*Represented the City's ARPA Program at 2023 NLC Congressional Conference in Washington DC. Presented to Senator Murray's and Senator Cantwell's advisory staff, discussed ARPA with City lobbyist, and participated in ARPA-specific discussions, roundtables, and interviewed US Treasury representatives.</p> <p>*Prepared & successfully submitted 2023 ARPA annual report to US Treasury.</p> <p>*Recorded & reported ARPA expenditures for 2022 State Audit. No findings.</p> <p>*Researched options to request additional ARPA funds from WA State. No programs available.</p>

Public Works:

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
Residential Street Maintenance (2 positions)	\$225,641	\$200,656	<p><u>Maintenance Accomplishments</u></p> <p>*Mow Right of Way (ROW) along roadways for visibility and safety.</p> <p>*Blew leaves from sidewalks, plus swept leaves and debris to maintain cleanliness throughout City.</p> <p>*Trim, weed, mulch, and spray vegetation in ROW for beautification and safety.</p> <p>*Shut down and blow out twenty irrigation systems.</p> <p>*Asphalt repair for potholes and other repairs City wide.</p> <p>*Snow and ice response with plowing and deicing roads.</p> <p>*Guardrail repairs at 58th and Orillia Road.</p> <p>*Homeless encampment cleanups at 180th bridge, 146th, Tukwila International Blvd and along the Green River.</p> <p>*Improved lighting along Tukwila International Blvd.</p> <p>*Litter control and illegal dumping cleanups in ROW areas.</p> <p><u>Benefits of Maintenance:</u></p> <p>*Public safety.</p> <p>*Resident preference.</p> <p>*Beautify environment for visitors.</p> <p>*Maintain infrastructure.</p> <p>*MUTCD required maintenance.</p>

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
Traffic Calming	\$400,000	\$257,977	<p><u>2022 Overlay Program (Project delayed due to cold/wet weather.)</u> <i>*Permanent Channelization (street markings for traffic and pedestrians):</i> -Crosswalk and Stop Bars throughout the 2022 Overlay area. -Edge striping to delineate pedestrian walking paths. -Final warning indicators at speed cushions and Rectangular Rapid Flashing Beacons (RRFBs) near Foster High School and TCC in Allentown.</p> <p><u>2023 Overlay Program</u> <i>*Speed Cushions on 37th Ave S and S 140th St.</i> <i>*Permanent Signage on various streets within Overlay scope.</i> <i>*Entire effort to construct 119th/42nd Pedestrian Bridge Crossing:</i> -Remove pavement/sideway in conflict with work. -Install new ADA complaint sidewalk on both sides of 42nd at X-walk. -Install raised crosswalk platform. -Narrow roadway slightly at crosswalk to provide traffic calming. -Replace pavement on both approaches to new X-walk. -Provide channelization (roadway striping and legal X-walk markings).</p> <p><u>Benefits</u> <i>*Provide permanent pedestrian safety at all locations.</i> <i>*Increase safety for all modes of traffic especially in significant resident density areas and areas of substantial of traffic transiting between Military Road and TIB.</i></p>

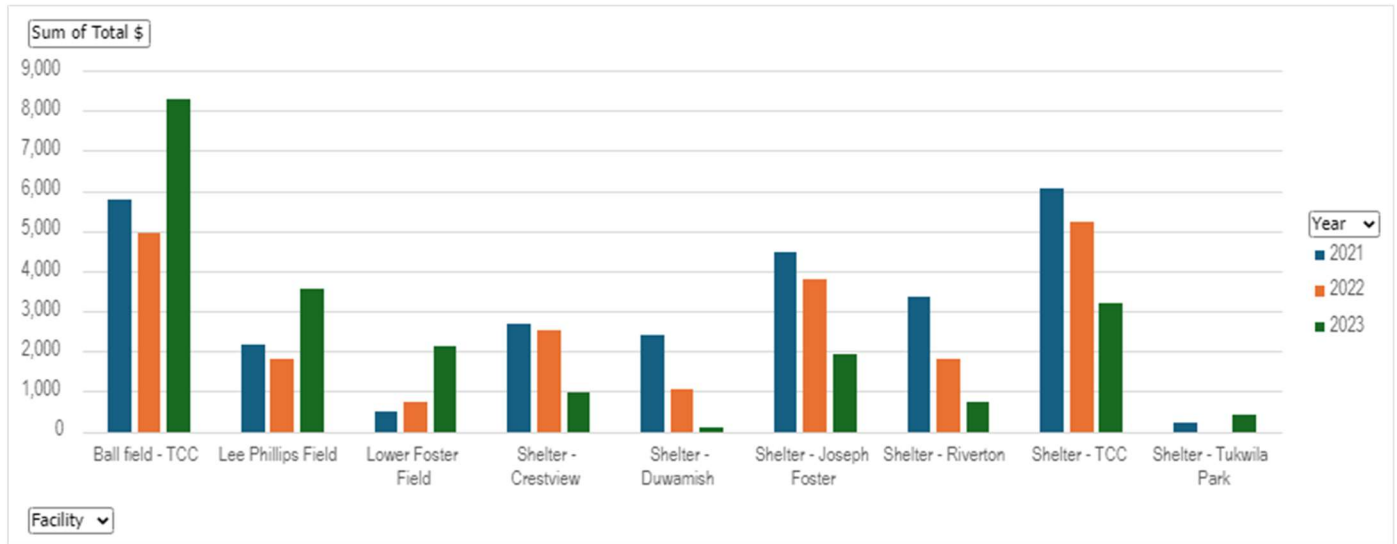
Recreation:

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
YOUTH After School Activities Program & YOUTH Enrichment Classes (ASAP)	\$141,950	\$122,658	<p><u>New, Free Mobile Rec Program</u></p> <ul style="list-style-type: none"> *Recreational games and activities at various locations throughout the community during summer with 928 participant units. *Reduced barriers for those unable to attend other programs due to transportation or cost issues. *Increased accessibility to activities around the community. *Program will resume summer of 2024 with plans to offer annually. <p><u>Participation</u></p> <ul style="list-style-type: none"> *First Half 2023 Youth After School/Enrichment had 5,636 participant units. *Down 15% compared to 2022 due to fees charged beginning January 2023 (no longer free program due to no-shows affecting attendance). *2019 pre-pandemic participant units were 11,155 for combined Before & After School programming. *Early Bird (Before School) planned to resume Fall 2024. Barrier has been coordinating transportation with school district. <p><u>Benefits</u></p> <ul style="list-style-type: none"> *Restored After School programs & frozen staff positions from pandemic. *Enrichment currently provides Kung Fu instruction. *ASAP provides safe childcare, homework help, STEM & educational activities, low & high energy games, art & crafts, social & emotional learning projects, free play and field trips. *Important socialization especially after pandemic closed schools and community activities.

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
PRESCHOOL Enrichment Program (ASAP)	\$28,050	\$23,631.12	<ul style="list-style-type: none"> *Extra enrichment programming helps address negative impact of pandemic on school readiness. *Focuses on socialization, classroom & relationship building skills, motor skills, and educational enrichment needed for kindergarten success. *Pee Wee Picasso Art (4 to 5 year olds + caregiver), Baby and Me (0 to 1 year olds + caregiver), Miss Cindy's Play & Learn (0 to 5 year olds + caregiver). *2023 participant units 445. Up 57% compared to all of 2022. *ARPA funds supplies and extra preschool teacher hours for additional enrichment programming.

Allocation	Total 2023 Allocation	Total 2023 Expenditures	Community Benefits Summary
Parks Maintenance (2 positions)	\$155,098	\$134,398	<p><u>Maintenance Tasks</u></p> <ul style="list-style-type: none"> *Installed 15+ garbage can replacements (requiring less labor time to maintain). *Pressure washed City Hall entrance, TCC, all shelters, stairs, trails and park walkways, Tukwila Pond Dock, Crystal Springs, Duwamish and Riverton Parks. *Mowed vegetation along trails and park walkways, trimmed City Hall hedges, pruned overgrowth along Green River and Interurban trails, Duwamish Garden and numbered trails. *Repaired portable water meter and irrigation lines at Duwamish Hill. *New art and City message banners installed on Tukwila International Blvd. *54+ flower baskets installed along roadways. *Garbage can repairs at various locations. *Debris blowing, lawn care and weed control applications ongoing. <p><u>Field & Shelter Rental Income</u></p> <ul style="list-style-type: none"> *Field rentals are above 2021 and 2022 levels due to multiple events. See graph. *Park shelter rentals below 2021 and 2022 levels due to Mobile Rec program set up free programming in shelters on Saturdays. See graph. *Residents have realized they can drop in at unused shelters to avoid paying fees.

2023 Field Rental Income Increased vs. 2023 Park Shelter Rental Income Decreased from Prior Levels



Summary of 2021 to 2024 Allocations and Expenditures

Actual spending data for 2021, 2022 and 2023 compared to allocations in these time periods. Budget allocations for 2023-2024 were approved by council based on estimates of expected spending from departments before the end 2022 and 2023, respectively.

Allocations	2021 Budget	2021 Actuals	2022 Budget	2022 Actuals	2023 Budget	2023 Actuals	*2024 Budget
Traffic Calming	\$ 100,000	\$ 100,000	\$ 400,000.00	\$ 317,546	\$ 400,000	\$ 257,977	\$ 400,000
Before & After School (5)	84,000	41,276	170,000	86,669	170,000	146,289	170,000
Summer Camp	50,000	50,618	100,000	56,371	100,000	89,718	100,000
DarkTrace	25,000	21,910	25,000	25,669	25,000	28,239	25,000
Business Assistance (1)	15,000	10,000	185,000	-	190,000	-	-
Parks Maintenance (4)	80,000	76,910	160,000	127,637	155,098	134,398	149,455
Street Maintenance (4)	167,500	45,367	335,000	215,951	225,641	200,656	225,641
Permit Processing (4)	125,000	112,186	300,000	227,049	246,429	237,222	246,429
Council Chamber Buildout	18,000	13,283	200,000	14,493	-	-	-
Fire OT - Minimum Staffing	225,000	330,066	300,000	462,872	-	-	-
Leadership Initiative	-	-	25,000	1,869	25,000	22,092	25,000
ARPA Analyst	-	-	160,000	125,448	141,511	126,779	154,893
Rent/Utility Assistance (2)	-	-	500,000	232,782	135,000	-	-
SeeClickFix (3)	15,000	15,689	-	-	-	-	-
Total Allocations & Expenditures	\$ 904,500	\$ 817,307	\$ 2,860,000	\$ 1,894,357	\$ 1,813,679	\$ 1,243,371	\$ 1,496,418
Total Underspent Per Time Period		\$ 87,193		\$ 965,643		\$ 570,309	

- (1) Budget not spent in 2022 so carried forward to 2023. Funding protocols not met, so 2023 funds released for 2024 reallocation.
- (2) Budget not fully spent in 2022, so portion carried forward to 2023. Dept used non-ARPA funds for assistance, so 2023 funds released for 2024 reallocation.
- (3) Budgeted originally for 2022, however, invoiced and paid in 2021.
- (4) Only labor costs, for two unfrozen positions from pandemic, are funded.
- (5) Preschool Enrichment Activities were added to Before & After School Allocation for 2023 and 2024.

*2024 allocation budgets were created based on estimates made before the end of 2023.

Recap of ARPA to Date

This chart shows the flow of ARPA funds after three years of council-approved expenditures. Unallocated funds are due to expenditures that have underspend their budget allocation. More to come regarding spending recommendations for unallocated total.

Total ARPA Grant (Beginning Balance)	\$ 5,685,000
2021 Actual Spent	817,307
2021 Ending Balance	4,867,693
2022 Beginning Balance	4,867,693
2022 Actual Spent	1,894,357
2022 Ending Balance	2,973,336
2023 Beginning Balance	2,973,336
2023 Actual Spent	1,243,371
2023 Ending Balance	1,729,965
2024 Beginning Balance	1,729,965
2024 Budget Allocation	1,496,418
Unallocated Amount for 2024	\$ 233,547

Per US Treasury ARPA requirements, Cities must contractually obligate all funds by 12/31/2024 and expend funds by 12/31/26. Council-approved allocations are expected to fully expend ARPA funds by 12/31/24. A plan will be forthcoming on how best to utilize remaining ARPA funds.

NEXT STEPS

Analyst continues to manage and reconcile expenditures per council-approved allocations and will present

a First Half 2024 spending report to the Finance & Governance committee once the first half of the year is reconciled. Staff will also prepare ARPA records in advance of the City's 2023 State Audit and the April 2024 US Treasury ARPA required reporting.

RECOMMENDATION

Discussion only. More to come.