



City of Tukwila  
**Finance and Governance  
 Committee**

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- ◆ Kathy Hougardy
- ◆ Cynthia Delostrinos Johnson

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# AGENDA

**MONDAY, OCTOBER 11, 2021 – 5:30 PM**  
 HAZELNUT CONFERENCE ROOM  
 (At east entrance of City Hall)

**THIS MEETING WILL NOT BE CONDUCTED AT CITY FACILITIES  
 BASED ON THE GOVERNOR'S PROCLAMATION 20-28.**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS  
 MEETING IS: 1-253-292-9750, Access Code 458647898#**

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Item	Recommended Action	
<b>1. BUSINESS AGENDA</b>		
a. Phase 2 prioritization of American Rescue Plan Act (ARPA) funds. <i>Vicky Carlsen, Finance Director</i>	a. Forward to 10/11 C.O.W. Meeting.	<b>Pg.1</b>
b. 2021 2nd Quarter investment report. <i>Vicky Carlsen, Finance Director</i>	b. Discussion only.	<b>Pg.11</b>
c. A staffing request from the Human Resources Department. <i>Juan Padilla, Human Resources Director</i>	c. Committee consideration/ decision.	<b>Pg.19</b>
<b>2. MISCELLANEOUS</b>		

**Next Scheduled Meeting:** *October 25, 2021*



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## INFORMATIONAL MEMORANDUM

**TO:** Finance and Governance Committee

**FROM:** Vicky Carlsen, Finance Director

**CC:** Mayor Ekberg

**DATE:** June 14, 2021-September 29, 2021 (Last updated following 9/13/21 Committee meeting)

**SUBJECT:** Phase 2 Funding Prioritization - Identify and prioritize projects utilizing American Rescue Plan Act (ARPA) funds

Updated for August 23, 2021, Committee Meeting

### **ISSUE**

Staff is seeking Committee input to identify and prioritize projects that could be paid for using ARPA funds.

### **BACKGROUND**

On March 22, 2021, staff began a discussion with the Finance & Governance committee to seek input into a process for how to prioritize service level restoration if and when ongoing revenues exceed revenues adopted in the 2021-2022 biennial budget as well as restored revenues from sales tax mitigation payments. Included in the info memo was a section discussing federal funding through the American Rescue Plan Act.

There was agreement to approach these funding discussions in three phases.

**Phase 1** – Council Consensus on May 10, 2021 – utilized sales tax mitigation payments expected to be received July 1, 2021, and was targeted to those items that would:

- 1. Provide the most direct impact to improving the quality of life for our community** – Streets and Parks Maintenance to keep parks clean and respond to concerns about garbage, litter, and graffiti.
- 2. Revenue backed services** – The Consolidated Permit Center is handling an increased demand for permits which are supported by fees.
- 3. Services which have been contractually required** Including agreements with the Teamsters and IAFF Local #2088 for Fire Overtime.
- 4. Critical services which should be restored** – This includes restoring some necessary services, such as cybersecurity contracts in Technology Information Services.

**Phase 2** is targeted to utilize the American Rescue Plan Act funds. This discussion is planned to begin on June 14 with additional information in this memo and continue through July with the full Council which will provide time to receive more details from the Federal Government.

**Phase 3** is targeted to use possible additional revenues as they return to pre-pandemic levels. This phase is expected to begin in August 2021 after we see begin to see the impacts of vaccinations on revenue sources.

### **Phase 2 Funding - Using American Rescue Plan Act (ARPA) Funds**

The earlier memo included a partial list of possible projects that could be funded with ARPA money including:

- Upgrading equipment in the Council chambers to allow for both in-person as well as virtual participation in city Council meetings and workshops.
- Adding internet access to neighborhoods underserved by existing internet options.
- Funding additional human services and/or small business programs and outreach.
- Funding to design and possibly purchase property for a youth/senior center.
- Economic Development Plan
- Other one-time services such as studies, plans or designs.

#### Federal Funding - American Rescue Plan Act

On March 10, 2021, a \$1.9 trillion relief package, known as the American Rescue Plan Act, was approved and provides funding in several areas including state and local aid, education, rental assistance, and transit. Preliminary estimates show that the City of Tukwila could receive as much as \$4.43 million in one-time funds. **Staff will confirm the final amount once we receive official notification from the State, which is not expected until at least July.** Funds must be obligated by December 31, 2024.

Final notification has been received and the City of Tukwila will receive \$5.78 million, which is \$1.35 million more than originally expected.

From what we know today, the funds can be used in the following ways:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and non-profits, or to aid impacted industries such as tourism, travel, and hospitality.
- Provide premium pay to eligible workers that are performing essential work.
- Provision of government services to the extent of the reduction in revenue due to the pandemic relative to revenues collected in the most recent full fiscal year.
- Make necessary investments in water, sewer, or broadband infrastructure.

The funds cannot be used to directly or indirectly offset tax reductions or delay a tax/tax increase. Nor can funds be deposited into any pension fund. Final guidance on approved uses of the funds is expected to be received in July of 2021.

#### New information regarding uses and restrictions for ARPA funds

Additional information has been released that provides better guidance on appropriate use of ARPA funds. The biggest change is in the Provision of Government Services to the Extent of Reduction in Revenue category. Updated guidance indicates that funds used under this category may only be used to restore services or projects that were reduced or eliminated due to revenue reduction caused by COVID-19. ARPA funds may

not be used for new capital projects (except for broadband, water, and sewer improvements, projects within very specific parameters) or programs or expansion of existing programs beyond the COVID-19 related reductions. A nexus to the effects of COVID needs to exist in order to apply ARPA funds to the service or project. Projects previously suggested for inclusion for ARPA funds that do not qualify are noted below in the appropriate section of this info memo.

New information also shows that use of ARPA funds may be used to cover costs incurred beginning March 3, 2021.

### Ongoing vs One-time Revenues

As a reminder, the Council's adopted financial policies state that one-time revenue will be used for one-time expenditures and ongoing revenue will be used for ongoing expenditures. The projects outlined below are one-time in nature as ARPA funds are a one-time funding source.

Because ARPA funds may not be used for new projects or services so are more restrictive in nature, Council may need to make an exception to this policy and allow the use of ARPA funds for adding back service levels ongoing service levels until regular revenue sources return to pre-pandemic levels.

## **DISCUSSION**

Information has been provided on each of the projects identified in the March 16, 2021, info memo and includes additional projects for consideration. Based on the major federal funding categories, the following are possible prioritization areas:

### **Phase 2 Funding Priorities**

- 1. Assistance to households, businesses and respond to impacts due to COVID-19**
  - a. Assistance to households
    - i. Increasing human service funding by increasing cap per household
    - ii. Assistance for utility payments in arrears
  - b. Assistance to businesses
    - i. Increasing grants and support for small businesses
    - ii. Create Economic Development Plan with a specific lens of mitigating impacts due to COVID-19
  - c. Impacts due to COVID-19
    - i. Improve community access to Council meetings by updating Chambers
- 2. Provision of Government Services impacted by reduction in revenues**
  - a. Capital Investments delayed or deferred
    - i. Traffic Calming Program
    - ii. Other Capital needs – unless a capital project was eliminated due to COVID-19 related revenue reductions, ARPA funds may not be used on new capital projects with the exception of broadband, water, and sewer projects.
  - b. Other Service and Staffing needs
- 3. Investments in infrastructure**
  - a. Broadband infrastructure investment – reduce the digital divide with a focus on students and low-income residents

4. **One-Time Investments for long-term financial health** – (City will need more information to clarify eligibility and some might fit under other priorities)
  - a. Teen and Senior Center Investment – planning, design, and/or land purchase – based on updated information, this project would not qualify for ARPA funding.
  - b. Digitizing Permit Records to better respond to public records requests – based on updated information, this project would not qualify for ARPA funding.
  - c. Facility planning to address significant unmet needs in City facilities

Detailed Discussion

**1. Assistance to households, businesses and respond to impacts due to COVID-19**

- a. Assistance to households
  - i. Increasing human service funding by increasing cap per household
    1. Additional funding for rental and utility assistance is a potential candidate for ARPA funding. Tukwila Human Services staff continue to see a high need for rental and utility assistance. While staff is working to leverage other funding sources where applicable, staff believes that if additional funding were to be made available for rental and utility assistance, such funding should go to raise the \$2,400 cap currently placed on families to assist them in wiping out extensive utility and rent arrearages. Human Services staff have worked with many families with rent arrearages in the thousands of dollars and is now experiencing many calls from families who have already hit the lifetime cap, which was raised from \$700 to \$2,400 to address the pandemic.
  - ii. Assistance for utility payments in arrears
    1. Staff has reached out to utility providers in Tukwila to better understand the utility arrearages in the community. Current estimates are between \$1 and \$2 million for all utility providers in Tukwila. Human Services and Communications staff are pushing out information on Seattle City Light and PSE's discount programs, as well as regularly referring qualified families to the LIHEAP program in order to reduce utility arrearages. The City of Seattle recently voted to continue its utility no late fees/no shut offs through the end of this calendar year, and all of the utilities staff talked with are committed to working with customers to develop payment plans moving forward. Payments would have to be made for utility customers that were impacted by COVID.
- b. Assistance to businesses
  - i. Increasing grants and support for small businesses (\$200,000)
    1. Staff recommends setting aside \$200 thousand for possible use for small business outreach, technical assistance, loans, and grants. Staff would return with a specific proposal later this year as opportunities to partner with other organizations arise.
- c. Create Economic Development Plan with a specific lens of mitigating impacts due to COVID-19 (\$50,000 to \$150,000)
  - i. Basic Plan: This work includes hiring a consultant to conduct research, analysis, writing, graphic design, and producing a document. It would also include standard community outreach such as an online survey, a limited phone survey, and some public meetings. Estimated cost \$50,000.
  - ii. Expanded Outreach: This work includes hiring multiple community-based organizations or firms to assist with outreach to various groups based on culture,

language, age, etc. It would include tailoring those contracts to work with those groups using relevant outreach methods, which could include surveys, conversations, interviews, focus groups, or others. As appropriate, methods would include interpretation, translation, childcare, and participation incentives toward a goal of meaningful, not transactional, engagement. Estimated cost \$50,000.

- iii. Improved Business Contacts Database: This purpose of this component is to improve our business contacts database which would help with outreach on the Plan as well as ongoing business outreach. This would include a combination of purchasing a software tool and contacting our businesses to update and/or collect their contact information. In the private sector the software tool would be called a customer relationship management system (CRM) and would track a company's interactions with their customers. In addition to purchasing software, staff would hire a firm to fill in the gaps and expand upon our current business license database by contacting businesses directly. Estimated start-up cost \$50,000. There would be an ongoing maintenance cost but that has not yet been estimated.
- d. Impacts due to COVID-19
  - i. Improve community access to Council meetings by updating Chambers
    - 1. Upgrading Council Chambers to Accommodate In-Person and Virtual Participation in Meetings – cost estimates ranging from \$10,000-\$208,000. Detailed information on this project is included in a separate info memo presented to the Finance and Governance Committee on June 14, 2021.

## **2. Provision of Government Services impacted by reduction in revenues**

- a. Capital Investments delayed or deferred.
  - i. Traffic Calming Program (\$400,000 annually)
    - 1. Prior to the onset of the COVID-19 health emergency, funding of \$400 thousand had been included in the budget each year for traffic calming. At the April 26, 2021, Transportation and Infrastructure Committee meeting, several projects were identified as priority projects. Public Works sees more value in funding several smaller projects throughout the community rather than a few large (costly) projects. Projects identified include:
      - a. Purchase additional speed cushions and radar driver feedback signs for future deployments. (\$130 thousand)
      - b. Complete the widening of 53<sup>rd</sup> Ave S between S.137<sup>th</sup> and 52<sup>nd</sup> Ave S to restore two-way traffic. (\$250 thousand)
      - c. Provide funding for additional traffic counting services and to the NTCP on-call design contract. (\$100 thousand)
- b. Other service and staffing needs
  - i. Each City department has unmet staffing and resource needs due to the reductions taken in the 2021-2022 Adopted Budget. These could be funded through ARPA funds. As mentioned in previous memos, these include specific areas such permit review, street and parks, fire, and police services.

**3. Investments in infrastructure**

- a. Broadband infrastructure investment – reduce the digital divide with a focus on students and low-income residents (\$1 million implementation, \$100,000 ongoing)
  - i. The digital divide in the City of Tukwila was made even more apparent by the COVID-19 pandemic, which required both students and employees to go online full time, but often without the broadband needed. Tukwila is one of the most diverse cities in the nation, with over 80 languages and dialects spoken, and 41% of the population are foreign born, and 17% living in poverty. This is much higher than the Washington State poverty average of 10%.
    - 1. The Tukwila School District is able to provide 20% of its families with mobile hotspots and 23% of families receive internet access through Comcast’s Internet Essentials Program. Tukwila has been on the forefront by providing free internet access to students by developing a free City Wi-Fi program in multifamily neighborhoods, with the highest concentration of students that receive free and reduced lunch. But city leaders recognize these numbers do not add up to 100% of the families in their schools in need of access to high-speed internet, and they are committed to closing the gap.  
By utilizing ARPA funds, Tukwila has the opportunity to construct and deploy high speed internet to income-qualified families throughout the city. This proposed program has the opportunity to provide all families in Tukwila with the needed modern-day building blocks for our students and families to thrive.

**Suggested Plan for Utilizing ARPA Funds**

In order to maximize the use of ARPA funds, staff is recommending using these funds to restore service levels in Streets, Parks, and DCD as well as for a few one-time projects that directly benefit our communities. Much of the service levels for Streets, Parks, and DCD is for staffing and was already approved via streamlined sales tax mitigation (SST) funding. Moving these costs to ARPA, which must have a nexus to COVID reductions, will free up SST funding for other projects.

In addition to staffing already authorized with SST funds, this plan would unfreeze one additional FTE in DCD, add a total of \$500 thousand in funding for utility and rental assistance, restore traffic calming funds for residential streets, and restore after school programming.

	2021	2022	2023	2024	Total
Parks & Rec Staff - See SST Memo	128,000	150,000	150,000	150,000	578,000
Street Staff - See SST Memo	162,000	171,000	174,000	178,000	685,000
SCORE	150,000				150,000
Business Assistance	200,000				200,000
Utility/Rental Assistance	500,000				500,000
After School Program	84,000	170,000	170,000	170,000	594,000
Traffic Calming	400,000	400,000	400,000	400,000	1,600,000
Upgrade Council Chambers	200,000				200,000
DCD Staff - See SST Memo	187,000	240,000	240,000	240,000	907,000
Economic Development Plan	150,000				150,000
<b>Total</b>	<b>2,161,000</b>	<b>1,131,000</b>	<b>1,134,000</b>	<b>1,138,000</b>	<b>5,564,000</b>



The proposed plan leaves a little over \$200 thousand unallocated to services and projects that can be allocated to other Council priorities.

It is important to note that while the use of these funds do restore some service levels, it does not restore all services to pre-pandemic levels. Frozen positions still remain in other departments, including Police and TIS. Departmental budgets, in general still remain extremely tight and do not have room to absorb unplanned, necessary expenditures.

Staff is looking for direction from the Committee on which projects additional information is needed, if items should be removed from the above list, or added to it.

At the August 9, 2021, Committee meeting, requests for additional information were made to staff. Some of the requests for more information included traffic calming projects, utility and rental assistance, assistance to businesses, community connectors, and the proposed economic development plan, among other items.

#### Committee Review Process June-September 2021

Since mid-June, the Finance & Governance Committee conducted detailed analysis of this information over the course of multiple meetings, asking questions and requesting additional presentations on programs including business assistance, rent/utility assistance, afterschool programming, SCORE, Neighborhood Traffic Calming, and Community Connectors. Following the September 13, 2021, discussion the Committee agreed to forward the proposal to the Committee of the Whole for full Council discussion.

#### Equity

A recurring theme in committee discussions was the importance of centering equity and for staff to more clearly explain how the City's commitment to equity is reflected in the funding proposals. The City's Equity Policy requires that equity must serve as a core value for all long-term City plans while recognizing the disparities that exist and how historic and current factors have contributed. The funding proposal for ARPA includes programming intended to address disparities and improve the quality of life for lower income and traditionally disadvantaged community members. Examples include:

*Council Chamber Upgrade:* Funding technology improvements for the City Council Chamber to allow hybrid meetings (combining remote and in-person attendance) will benefit the community by providing more equitable access to local government. Tukwila has seen significantly increased attendance at virtual public meetings and this should continue as an option going forward.

*Parks Staffing:* The pandemic elevated the importance of outdoor recreation and socializing, and as a result park usage has been very high throughout our community. The additional staffing authorized in Phase 1 of service restoration was intended for park maintenance. Providing clean, safe and accessible parks has a direct impact to quality of life for our residents.

Restoration of Before & After School Programming & Enrichment: The Parks & Recreation Department's before and after school programming has been a popular necessity for Tukwila families, with most participating for free due to family income. This service provides families with crucial support to accommodate working parents as well as a la carte enrichment programming in a variety of areas.

Economic Development Plan: The proposal includes an expanded outreach strategy specifically to assist various groups based on cultural needs, including interpretation, translation, childcare and participation incentives.

Business Assistance: Funding would go toward assisting small businesses with COVID recovery in the form of technical aid, loans, or grants, and could leverage partnerships with other organizations.

Utility/Rent Assistance: Additional funding for Human Services would go toward increasing the rental and utility assistance cap per household, as well as provide assistance for utility payments in arrears.

Community Connectors: Funding would bring back the Community Connectors program in 2022, in a new format. Staff recently provided the Community Services & Safety Committee an update on the newly proposed program, which focuses on civic capacity building in historically underserved communities.

Updated Staff Proposal Reflecting 2021 and 2022 Only

The chart below shows only the current biennium and has been updated to reflect projected timing of expenditures. Most funding allocated for utility and rental assistance has been shifted to 2022 as well as costs associated with upgrading the Council chambers, business assistance, and the economic development plan. Amounts reflects for the restoration for staffing in Parks, Street, and Community Development departments are estimates only. ARPA requires the City to fully document actuals so the actual costs of these positions may be a bit higher or lower, depending on actual hours worked, among other benefit costs.

In addition to the above proposals for ARPA funds, staff is also requesting authority to hire temporary staff to track and report on ARPA spending. Over the last several months it has become apparent that the tracking and record keeping required for these projects to meet federal requirements is very time consuming and capacity does not exist with current staffing levels to meet this requirement. Need for additional staffing would only last as long as ARPA funds are actively being spent and for final close out reporting.

Staff also proposes using ARPA funds to cover the cost of increasing minimum staffing for the Fire Department to 13. Estimated costs for minimum staffing specific to the 13<sup>th</sup> position through the end of August is \$168 thousand.

	2021	2022	Total
* Parks Staff	80,000	160,000	240,000
* Street Staff	167,500	335,000	502,500
* DCD Staff	125,000	300,000	425,000
* Rec Program (Summer Camp)	50,000	100,000	150,000
* DarkTrace - Cyber Security	25,000	25,000	50,000
After School Program	84,000	170,000	254,000
Business Assistance	10,000	190,000	200,000
Utility/Rental Assistance		500,000	500,000
Traffic Calming	100,000	400,000	500,000
Upgrade Council Chambers	10,000	208,000	218,000
SCORE	150,000		150,000
Fire Minimum Staffing	225,000	300,000	525,000
Community Connectors		25,000	25,000
ARPA Financial Analyst		160,000	160,000
<b>Total</b>	<b>1,026,500</b>	<b>2,873,000</b>	<b>3,899,500</b>

\* See SST Memo dated March 16, 2021

Direction provided by City Council on use of ARPA funds for 2021 and 2022 will be included in the upcoming budget amendments.

**RECOMMENDATION**

Staff is now seeking Council direction on the proposal for the use of ARPA funds which will be incorporated into the 2021-2022 budget amendment. Funding for 2023-2024 will be addressed and confirmed via the biennial budget development process.

~~Information only at this time.~~





**INFORMATIONAL MEMORANDUM**

TO: Finance & Governance Committee  
 FROM: Vicky Carlsen, Finance Director  
 BY: Aaron Williams, Fiscal Manager  
 CC: Mayor Ekberg  
 DATE: October 11, 2021  
 SUBJECT: 2021 2nd Quarter Cash & Investment Report

**ISSUE**

The Quarterly Cash & Investment Report is provided to the Finance Committee in accordance with the City’s Investment Policy.

**SUMMARY OF INVESTMENT POLICY**

It is the policy of the City of Tukwila to invest public funds in a manner that will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City while conforming to all state and local statutes governing the investment of public funds.

**INVESTMENT HOLDINGS**

As of June 30, 2021, the portfolio totaled \$74.9 million comprised of \$71.4 million in cash and cash equivalents and \$3.5 million in longer term investments. The attached “Cash and Investment Report” provides additional details on the cash and investment holdings of the City.

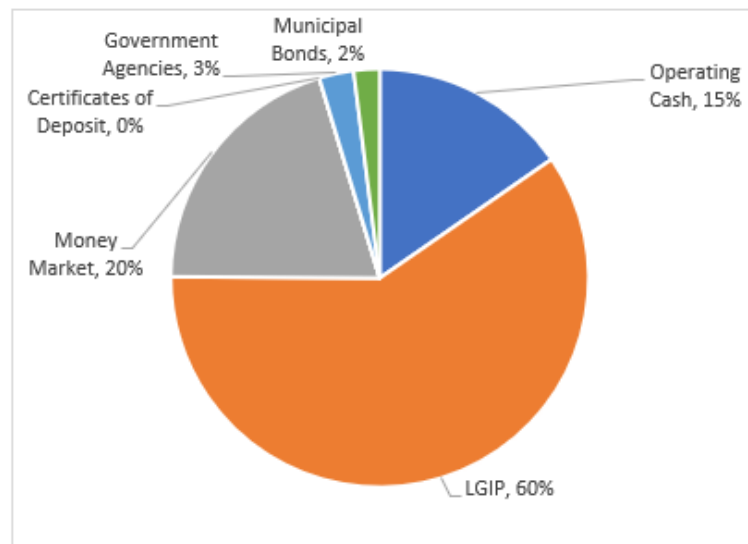
Below is a comparison of the current portfolio allocation compared to the prior year-end.

**Portfolio Allocation 6/30/2021**

Operating Cash	11,516,006	15%
LGIP	44,712,128	60%
Money Market	15,138,578	20%
Certificates of Deposit	-	0%
Government Agencies	2,000,000	3%
Municipal Bonds	1,500,000	2%
	<u>74,866,712</u>	

**Portfolio Allocation 12/31/2020**

Operating Cash	10,358,248	15%
LGIP	41,690,157	59%
Money Market	15,123,022	22%
Certificates of Deposit	2,106,948	3%
Government Agencies	-	0%
Municipal Bonds	1,000,195	1%
	<u>70,278,570</u>	



**INVESTMENT ACTIVITY**

Total year to date investment earnings through June 30th were \$73,065. Longer term investments held by the City are projected to pay \$46,375 during the year with a \$500k bond scheduled to mature in September. Two new bond investments were purchased during the second quarter; one was a 5-year callable Federal Farm Credit Bank bond and the other a 5-year noncallable municipal bond. The yield-to-maturity on these investments are 0.90% and 0.83%, respectively. Additional Bond investments will be pursued during the year as opportunities are identified.

The chart below provides the investment income Budget to Actual for the Government Funds and Enterprise funds.

<b>Investment Income</b>	<b>Annual Budget</b>	<b>YTD Actuals</b>	<b>Pct of Budget</b>
Government Funds	\$ 290,500	\$ 43,439	15.0%
Enterprise Funds	118,000	29,627	25.1%
	<u>\$ 408,500</u>	<u>\$ 73,065</u>	<u>17.9%</u>

**RETURN ON INVESTMENTS**

The current overall portfolio yield on June 30th was 0.17% with the Washington State LGIP and the Columbia Bank money market accounts earning 0.075% and 0.17%, respectively. Longer term investment holdings have an average return of 1.20%.

**POLICY COMPLIANCE AND LIQUIDITY ANALYSIS**

The investment portfolio profile is within the range of all investment policy parameters. Throughout the pandemic, with the uncertainty of City revenues, longer term bond investments were not pursued, prioritizing liquidity of the portfolio in the short term to ensure we could meet the obligations of the City. This year we have begun expanding our investment holdings, keeping in mind the uncertainty of interest rates and high inflation in the economy. As we accumulate new portfolio holdings, we are targeting the more favorable rates in the 3-5 year maturity range. New bond investments made this year have been in this maturity range, with call options on most, to maximize returns.

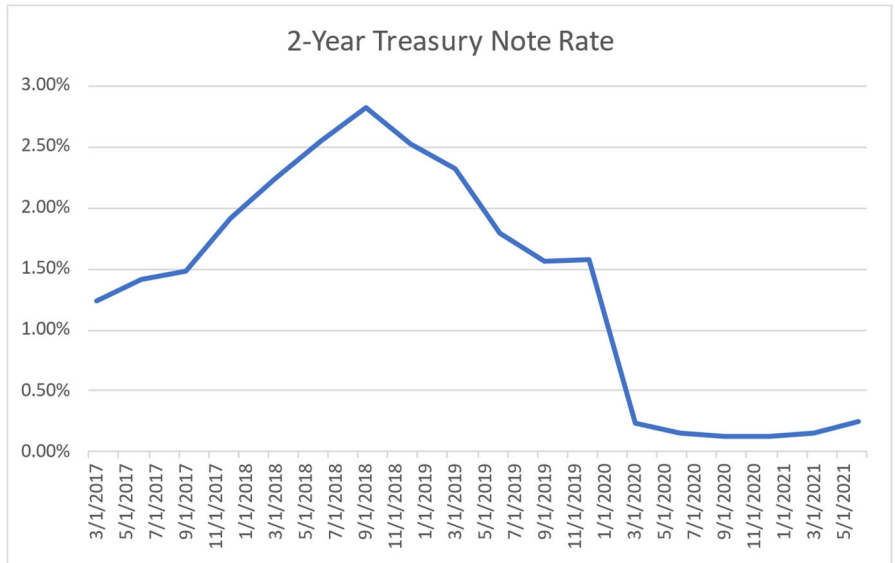
See “*Policy Compliance & Liquidity Analysis*” attachment for additional detail.

The portfolio benchmark is the 2-year treasury rate, which is closely tied to the changes in the Federal Reserve Fed Funds Rate. In response to the COVID-19 pandemic, there were significant cuts to the Fed Funds Rate reducing the rate to the current target of 0.00%-0.25%. The 2-year treasury note rate has slightly increased recently, currently hovering around 0.25% as of June 30<sup>th</sup>.

Recent indications from the Federal Reserve Board are that they may begin to rise interest rates in mid-2022 or early 2023; but high inflation and other economic factors could change those plans.

The chart to the right illustrates the 2-year treasury rate over the past 5 years.

The investment portfolio will continue to be managed to take advantage of investment opportunities as they arise while maintaining adequate liquidity to meet obligations.



**RECOMMENDATION**

Presentation is for information only.

**ATTACHMENTS**

2021-Q2 Cash and Investment Report  
Policy Compliance & Liquidity Analysis





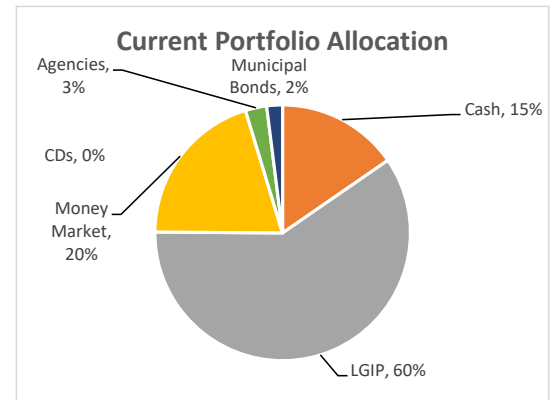
**CITY OF TUKWILA**  
**Cash and Investment Details**  
**CASH & INVESTMENT REPORT**  
June 30, 2021

Depository	Investment Type	Maturity Date	Balance	Current Rate	(d) Annualized Return
<b>CASH &amp; CASH EQUIVALENTS</b>					
US Bank Operating Cash	Depository	(b)	11,516,006	0.20%	23,032 (e)
Washington State Treasurer	LGIP Investment Pool	(b)	44,712,128	0.08%	35,278 (f)
Columbia Bank	Money Market	(b)	15,138,578	0.17%	25,736 (f)
<b>Total Cash &amp; Cash Equivalents</b>			<b>71,366,712</b>	<b>0.12%</b>	<b>84,045</b>

Agency / Issuer	Rating Moody's	Investment Type	Purchase Date	Maturity Date	(a) Term Yrs.	Face Value	(c) Yield to Maturity	Annualized Return
<b>INVESTMENTS</b>								
<b>Agencies</b>								
Federal Home Loan Bank	Aaa	US agency	02/2021	2/24/2026	4.6	1,000,000	0.63%	6,250
Federal Farm Credit Bank	Aaa	US agency	06/2021	6/15/2026	4.9	1,000,000	0.90%	9,000
<b>TOTAL AGENCIES</b>						<b>2,000,000</b>	<b>0.76%</b>	<b>15,250</b>
<b>Taxable Municipal Bonds</b>								
Burien WA GO LTD Bld Am Bnds	Aa2	LTGO	12/2017	12/1/2025	0.2	500,000	3.67%	18,374
Metro Oregon GL Txbl	Aaa	LTGO	06/2021	6/1/2026	4.9	1,000,000	0.83%	8,300
<b>TOTAL MUNICIPAL BONDS</b>						<b>1,500,000</b>	<b>1.78%</b>	<b>26,674</b>
<b>Total Investments</b>						<b>3,500,000</b>	<b>1.20%</b>	<b>41,924</b>
Interest earned from matured/called investments								-
<b>TOTAL CASH, CASH EQUIVALENTS &amp; INVESTMENTS</b>						<b>\$ 74,866,712</b>	<b>0.17%</b>	<b>\$ 125,969</b>

↑  
Current Portfolio Yield

- (a) Term is calculated to final maturity or call date if bond has been called.
- (b) No fixed maturity, funds are available within one day.
- (c) Yield to Maturity represents average rate for the year for various investment vehicles.
- (d) Annualized return represents annual earnings at current rate.
- (e) Represents earning credit from US Bank. City earned interest up to the amount of fees.
- (f) Current rate reflects most recent interest rate for each depository account.





**CITY OF TUKWILA**  
**Policy Compliance & Liquidity Analysis**  
**CASH & INVESTMENT REPORT**  
June 30, 2021

	Portfolio Amount	As of Report Date		
		Available Within 1 Year	Available Within 5 Years	Available in 5 - 10 Years
<b>Liquidity Analysis &amp; Maturity Diversification</b>				
Funds immediately available - US Bank, State LGIP, Money market	\$ 71,366,712	\$ 71,366,712	\$ 71,366,712	
Fixed Maturity Investments, maturing in:				
0-90 days after Report Date	500,000			
91-180 days after Report Date	-			
181-270 days after Report Date	-			
271-360 days after Report Date	-			
Investments maturing in 1 year or less	500,000	500,000	500,000	
Investments maturing in 1-2 years	-		-	
Investments maturing in 2-3 years	-		-	
Investments maturing in 3-5 years	3,000,000		3,000,000	
Investments maturing in 6-10 years	-			-
Investments maturing in more than 1 year and less than 10 years.	3,000,000			
<b>TOTALS</b>	<b>\$ 74,866,712</b>	<b>\$ 71,866,712</b>	<b>\$ 74,866,712</b>	<b>\$ -</b>
		96%	100%	0%

	Portfolio Amount	% of Total	POLICY MAXIMUM	Policy Met?
<b>Financial Institution Diversification</b>				
US Bank	\$ 11,516,006	15.4%	50.0%	Yes
Columbia Bank	15,138,578	20.2%	50.0%	Yes
Sound Community Bank	-	0.0%	50.0%	Yes
Investments in Financial Institutions	26,654,584	35.6%		
Investments in US Government and other non-financial institutions	48,212,128	64.4%		
Total	<b>\$ 74,866,712</b>	<b>100.0%</b>		

	Portfolio Amount	% of Total	POLICY MAXIMUM	Policy Met?
<b>Investment Mix</b>				
Depository	11,516,006	15.4%	insured by PDPC	Yes
State Investment Pool	44,712,128	59.7%	75.0%	Yes
Money market	15,138,578	20.2%	insured by PDPC	Yes
Certificate of Deposit	-	0.0%	insured by PDPC	Yes
US Agency	2,000,000	2.7%	75.0%	Yes
Municipal Bonds	1,500,000	2.0%	no limit specified in policy	Yes
Total	<b>74,866,712</b>	<b>100.0%</b>		

<b>Weighted Average Maturities:</b>		<b>Performance Analysis</b>
State LGIP and Money Market funds	Years 0.0	Current portfolio yield 0.17%
Certificates of deposit	n/a	
Government Agency bonds	4.8	
Municipal bonds	3.3	
Total Investments	<b>0.2</b>	<b>Benchmarks:</b> 2 year treasury 0.25%
POLICY MAXIMUM	3.5	Local Govt Invst Pool 0.08%
Policy Met?	Yes	

Note: Operating cash and cash equivalents are *not* factored into the Portfolio Investments weighted average maturity.





## **INFORMATIONAL MEMORANDUM**

**TO:** Finance & Governance Committee

**FROM:** Juan Padilla, Human Resources Director  
Eric Drever, Chief of Police

**CC:** Mayor Ekberg

**DATE:** September 30, 2021

**SUBJECT:** Transfer of funds to create a new HR Position

### **ISSUE**

The City Human Resources Department (HR), in collaboration with the City of Tukwila Police Department (PD), is requesting Council authority to transfer funding from a vacant Police Department FTE to the HR to create a new FTE in HR. This position would be a Human Resource Analyst.

### **BACKGROUND**

Over the last couple of years HR has seen an influx in work and assignments across all lines of business. This includes Recruiting, Civil Service hiring, Protected Leaves, Safety and Claims (L&I), Safety Program, Employee and Labor Relations, managing of the Self-Funded Healthcare Plan, and Labor negotiations.

### **DISCUSSION**

HR staff have been performing at a very high operational tempo going on 18 months with the current FTE authority. Staff is proposing to bring on a HR Analyst to ensure the appropriate staffing level to increase productivity in the following key areas.

**Police:** We are projecting that Police Recruiting (Civil Service) will need to ramp up exponentially in the coming months and maintain a continuous surge until the changes being made by the Federal and State level become the new normal in Police Operations. Due to pending vaccine mandates from the Federal Government, the City may lose additional officers that choose not to be vaccinated. We are currently recruiting for multiple positions in PD that include entry, lateral, or certified entry Police Officer positions, while preparing to also fill the currently frozen (8) PD positions, and 5 current vacancies.

**Recruiting:** Just in the last year alone, the City HR Department has revamped or hiring process to lead the way in creating more inclusive hiring practices to align with our City's Equity policy. We have hired 95 new staff members in 2021 to date, while continuing to work over 20 hiring processes currently.

**Safety Program:** As a by product of the increased operational tempo in HR, the City's Safety Program has not had the attention it needs. Our safety program works cross departmentally and helps us mitigate risk across the City and as mentioned by our Emergency Manager it is needed to help coordinate Safety and be a conduit for all employees. Some of the tasks are maintaining our Accident Prevention Program, managing our City Safety Committee, creating and managing training for all City Employees such as Blood Borne Pathogens, Drivers Safety policy, CDL and random drug testing, AED management across the City, and working as a key member with the City's Wellness Committee.

**FINANCIAL IMPACT**

The proposed position is banded at the C-41 pay band, which is \$157,715 a year with benefits. This is \$16,747 a year more than a frozen patrol position in PD (\$140,967), and the difference can be absorbed in the budget amendment process. The police department would keep one patrol position frozen indefinitely. The Police budget would reduce by \$140,967 and HR would increase by \$157,715.

**RECOMMENDATION**

Staff is seeking committee approval to include this request in the proposed budget amendments scheduled for the Finance and Governance Committee on October 25, 2021.