



INFORMATIONAL MEMORANDUM

TO: City Council

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: November 9, 2020

SUBJECT: Updates to 2021-2022 Proposed Biennial Budget

Summarized below are the list of changes included in the green sheets with a modification date of 11/9/20:

Public Safety Plan fund (305)

- Page 236 updated Revenue and Expenditure Summary chart to include transfer out to the City Facilities fund
- Page 237 updated expenditure chart to reflect transfer out to the City Facilities fund

City Facilities fund (306)

- Page 239 updated to reflect new Intergenerational Youth/Senior Center project
- Page 240 updated revenue chart to reflect transfer in from the Public Safety Plan fund

The Public Safety Plan fund is for voter approved projects whereas the City Facilities fund is utilized for new construction or major rebuilding of City facilities. Unused contingency related to the Justice Center project, up to \$600 thousand will be transferred in 2021 from the Public Safety Plan fund to the City Facilities fund to planning related to the new Intergenerational Youth/Senior Center.

Foster Golf Course fund (411) and Capital Improvement Plan

- Page XXIII minor adjustments to plans, added in assigned fund balances for clarity
- Page XIV minor updates to language, removed item #2 that referenced the 2003 LTGO debt. This debt has been paid in full and should no longer be referenced in the document.
- Page 97 updated spend plans and separated the Construction category into two categories: Course Improvements and Club House Maintenance

DEPARTMENT: N/A**FUND:** Public Safety Plan Fund**RESPONSIBLE MANAGER:** Rachel Bianchi**FUND NUMBER:** 305**POSITION:** Deputy City Administrator**Description**

The Public Safety Plan fund is used to construct a new Justice Center, which will house the Police Department, Emergency Operations Center, and Municipal Court, and reconstruct existing fire stations. Projects in this fund are paid for with voter-approved debt, non-voted debt (LTGO), and other dedicated revenue sources including real estate excise taxes, impact fees, and proceeds from land sales.

2019-2020 Accomplishments

- ◆ Justice Center completed and opened in September 2020.
- ◆ Fire Station 51 completed and opened in September 2020.

2021-2022 Outcome Goals

- ◆ Complete Fire Station 52.
- ◆ Fund Fire equipment and apparatus per D-20 model.
- ◆ Sell land identified as funding for the Public Safety Plan.

Revenue and Expenditure Summary

Public Safety Plan								
	Actual			Budget			Percent Change	
	2018	2019	Projected 2020	2020	2021	2022	2020-2021	2021-2022
Operating Revenue								
Miscellaneous Revenue								
Investment Earnings	\$ 490,316	\$ 366,046	\$ 300,000	\$ 100,000	\$ 40,000	\$ -	-60.00%	0.00%
Sales Tax Mitigation	-	226,273	439,636	1,000,000	-	-	0.00%	0.00%
CARES Act Reimbursement	-	-	300,000	-	-	-	0.00%	0.00%
Other Misc Revenue	29,237	25,070	-	-	-	-	0.00%	0.00%
Total Miscellaneous Revenue	519,553	617,389	1,039,636	1,100,000	40,000	-	-96.36%	0.00%
Capital Project Revenue								
Tukwila South Mitigation	300,000	300,000	300,000	300,000	300,000	300,000	0.00%	0.00%
Real Estate Excise Tax	-	539,318	500,000	500,000	500,000	500,000	0.00%	0.00%
Sale of Land	-	-	200,000	1,000,000	5,565,000	5,000,000	456.50%	-10.15%
UTGO Bond Proceeds	-	37,770,000	-	-	-	-	0.00%	0.00%
LTGO Bond Proceeds	-	17,807,400	-	-	-	-	0.00%	0.00%
Premium on Bond Proceeds	-	5,464,392	-	-	-	-	0.00%	0.00%
Total Capital Project Revenue	300,000	61,881,110	1,000,000	1,800,000	6,365,000	5,800,000	253.61%	-8.88%
Transfers In - Fire Impact Fees	400,000	1,100,000	380,000	500,000	300,000	300,000	-40.00%	0.00%
Transfers In - Urban Renewal	-	-	2,753,000	-	-	-	0.00%	0.00%
Transfers In - City Facilities Fund	500,000	-	-	283,709	-	-	0.00%	0.00%
Total Revenue	1,719,553	63,598,499	5,172,636	3,683,709	6,705,000	6,100,000	82.02%	-9.02%
Expenditures								
Justice Center	17,671,673	23,076,252	24,244,613	23,515,000	200,000	-	-99.15%	0.00%
Fire Station 51	768,516	5,396,820	8,096,825	2,396,000	-	-	0.00%	0.00%
Fire Station 52	302,695	5,707,321	16,362,704	13,749,000	525,000	-	-96.18%	0.00%
Fire Station 54	1,094,743	18,013	37,212	-	-	-	0.00%	0.00%
Fire Equipment	90,893	193,738	368,146	28,146	174,000	167,000	518.21%	-4.02%
Total Capital Projects	19,928,520	34,392,144	49,109,500	39,688,146	899,000	167,000	-97.73%	-81.42%
Transfer for Debt Service	-	-	-	-	1,068,817	2,171,467	0.00%	103.17%
Transfer to City Facilities	-	-	-	-	600,000	-	0.00%	0.00%
Transfer for Fire Apparatus	3,282,991	134,580	220,000	340,000	340,000	392,000	0.00%	15.29%
Total Expenditures	23,211,511	34,526,724	49,329,500	40,028,146	2,907,817	2,730,467	-92.74%	-6.10%
Beginning Fund Balance	36,724,920	15,232,962	44,304,737	42,350,731	147,873	3,945,056	-99.65%	2567.87%
Change in Fund Balance	(21,491,958)	29,071,775	(44,156,864)	(36,344,437)	3,797,183	3,369,533	-110.45%	-11.26%
Ending Fund Balance	\$ 15,232,962	\$ 44,304,737	\$ 147,873	\$ 6,006,294	\$ 3,945,056	\$ 7,314,589	-34.32%	85.41%

General Ledger Code Details

Revenue

GL Account Code	Account Description	Actual		Projected 2020	Budget		
		2018	2019		2020	2021	2022
305.317.200.00.00	LEASEHOLD EXCISE TAX	1,107	-	-	-	-	-
305.318.340.00.00	REET 1 - FIRST QUARTERPERCENT	-	539,318	500,000	500,000	500,000	500,000
305.336.000.99.00	SALES TAX MITIGATION	-	226,273	439,636	1,000,000	-	-
305.345.852.00.01	TUKWILA SOUTH MITIGATION	300,000	300,000	300,000	300,000	300,000	300,000
305.361.110.00.00	INVESTMENT INTEREST	461,557	365,364	300,000	100,000	40,000	-
305.361.112.00.00	INVESTMENT INTEREST ACCRUED	(7,031)	(57,029)	-	-	-	-
305.361.320.00.00	UNREALIZED GAINS (LOSSES) ON INVESTMENTS	35,790	57,711	-	-	-	-
305.362.400.00.00	FACILITIES RENTS (SHORT-TERM)	28,130	25,070	-	-	-	-
305.369.900.00.00	OTHER - CARES ACT REIMBURSEMENT	-	-	300,000	-	-	-
305.390.000.00.00	Sale of Land	-	-	200,000	1,000,000	5,565,000	5,000,000
305.391.100.00.00	U.T.G.O. BOND PROCEEDS	-	37,770,000	-	-	-	-
305.391.110.00.00	LTGO BOND PROCEEDS	-	17,807,400	-	-	-	-
305.392.000.00.00	PREMIUM ON UTGO BONDS ISSUED	-	5,464,392	-	-	-	-
305.397.301.00.00	TRANSFER IN - FUND 301	500,000	-	-	-	-	-
305.397.302.00.00	TRANSFER IN - FUND 302	-	-	2,753,000	-	-	-
305.397.304.00.00	TRANSFERS IN-FUND 304	400,000	1,100,000	380,000	500,000	300,000	300,000
305.397.306.00.00	TRANSFERS IN - CITY FACILITIES FUND	-	-	-	283,709	-	-
Totals		1,719,554	63,598,499	5,172,636	3,683,709	6,705,000	6,100,000

Expenditures

GL Account Code	Account Description	Actual		Projected 2020	Budget		
		2018	2019		2020	2021	2022
305.00.597.305.00.00	TRANSFER OUT-FUND 305	-	-	-	-	600,000	-
305.00.597.501.00.00	TRANSFER OUT-FUND 501	3,282,931	134,580	220,000	340,000	340,000	392,000
305.00.597.000.00.00	TRANSFER OUT-GENERAL FUND	-	-	-	-	1,068,817	2,171,467
305.98.522.220.35.00	SMALL TOOLS & MINOR EQUIPMENT	79,924	88,943	53,000	-	174,000	167,000
305.98.522.220.45.00	OPERATING RENTALS & LEASES	10,969	10,969	11,000	-	-	-
305.98.543.300.49.00	MISCELLANEOUS	-	22,221	-	-	-	-
305.98.559.300.47.00	PUBLIC UTILITY SERVICES	60	439	-	-	-	-
305.98.559.300.49.00	MISCELLANEOUS	-	-	500	-	-	-
305.98.592.210.84.00	DEBT ISSUE COSTS	-	347,702	-	-	-	-
305.98.592.220.84.00	DEBT ISSUE COSTS	-	297,272	-	-	-	-
305.98.594.180.41.00	PROFESSIONAL SERVICES	3,157	117	-	-	-	-
305.98.594.210.47.00	PUBLIC UTILITY SERVICES	7,624	8,715	8,500	-	-	-
305.98.594.210.61.00	LAND	14,651,322	37,033	-	-	-	-
305.98.594.210.62.00	BUILDINGS & STRUCTURES	2,989,106	22,657,775	30,893,000	23,515,000	200,000	-
305.98.594.220.35.00	SMALL TOOLS & MINOR EQUIPMENT	-	-	100,000	28,146	-	-
305.98.594.220.41.00	PROFESSIONAL SERVICES	12,750	-	-	-	-	-
305.98.594.220.47.00	PUBLIC UTILITY SERVICES	845	1,528	1,000	-	-	-
305.98.594.220.61.00	LAND	885,413	4,738	1,000	-	-	-
305.98.594.220.62.00	BUILDINGS & STRUCTURES	1,287,409	10,820,866	18,000,000	16,145,000	525,000	-
305.98.594.220.64.00	MACHINERY & EQUIPMENT	-	93,827	41,500	-	-	-
306.00.597.305.00.00	TRANSFERS OUT - FUND 305	-	-	-	283,709	-	-
Totals		23,211,511	34,526,724	49,329,500	40,311,855	2,907,817	2,730,467

DEPARTMENT: N/A
FUND: City Facilities Fund
RESPONSIBLE MANAGER: Hari Ponnekanti

FUND NUMBER: 306
POSITION: Interim Public Works Director

Description

The City Facilities Fund is used for new construction or major reconstruction of city facilities. The current project accounted for in this fund is the Public Works Shops facility.

2019-2020 Accomplishments

- ◆ Completed purchase of land for the new Public Works Shops facility.
- ◆ Completed master plan for Public Works Shops site.

2021-2022 Outcome Goals

- ◆ Complete Phase I for the new Public Works Shops site.
- ◆ Complete financing plan for Phase II for the new Public Works shops site.
- ◆ Plan and begin construction on a new inter-generational facility for Tukwila teens and seniors in the Tukwila International Boulevard neighborhood in proximity to Foster High School, Showalter Middle School, and the surrounding senior community.

Revenue and Expenditure Summary

City Facilities								
	Actual			Budget			Percent Change	
	2018	2019	Projected 2020	2020	2021	2022	2020-2021	2021-2022
Revenue								
Investment Earnings	\$ 143,426	\$ 13,722	\$ 50,000	\$ -	\$ -	\$ -	0.00%	0.00%
Interfund Loan Received	2,000,000	-	-	-	-	-	0.00%	0.00%
Bond Proceeds	18,365,000	5,022,600	-	-	2,850,000	-	0.00%	0.00%
Premium on Bonds Sold	1,809,036	549,244	-	-	-	-	0.00%	0.00%
Total Capital Project Revenue	22,317,462	5,585,566	50,000	-	2,850,000	-	0.00%	0.00%
Transfers In - General Fund	-	-	-	2,850,000	-	-	0.00%	0.00%
Transfers In - Land Acq. (REET)	3,000,000	-	-	-	-	-	0.00%	0.00%
Transfers In - Public Safety Plan	-	-	-	-	600,000	-	0.00%	0.00%
Transfers In - Utility Funds	3,119,512	-	1,150,000	1,150,000	-	-	0.00%	0.00%
Total Revenue	28,436,974	5,585,566	1,200,000	4,000,000	3,450,000	-	-13.75%	0.00%
Expenditures								
Capital Projects								
Public Works Shops	13,220,894	12,704,012	2,412,000	10,066,881	7,062,408	-	-29.85%	0.00%
Intergenerational Youth/Senior Center	-	-	-	-	600,000	-	0.00%	0.00%
Minkler Improvements	-	-	500,000	-	-	-	0.00%	0.00%
Total Capital Projects	13,220,894	12,704,012	2,912,000	10,066,881	7,662,408	-	-23.88%	0.00%
Interfund Load Repayment	2,016,977	-	-	-	-	-	0.00%	0.00%
Transfers for Debt Service	119,513	-	-	283,709	-	-	0.00%	0.00%
Total Expenditures	15,357,384	12,704,012	2,912,000	10,350,590	7,662,408	-	-25.97%	0.00%
Beginning Fund Balance	-	13,079,590	5,961,144	6,350,590	4,249,144	36,736	-33.09%	-99.14%
Change in Fund Balance	13,079,590	(7,118,446)	(1,712,000)	(6,350,590)	(4,212,408)	-	-33.67%	0.00%
Ending Fund Balance	\$13,079,590	\$ 5,961,144	\$ 4,249,144	\$ -	\$ 36,736	\$ 36,736	0.00%	0.00%

General Ledger Code Details

Revenue

GL Account Code	Account Description	Actual		Projected 2020	Budget		
		2018	2019		2020	2021	2022
306.361.110.00.00	INVESTMENT INTEREST	143,426	13,722	50,000	-	-	-
306.381.100.00.00	LOANS RECEIVED	2,000,000	-	-	-	-	-
306.391.100.00.00	G.O. BOND PROCEEDS	18,365,000	5,022,600	-	-	2,850,000	-
306.392.000.00.00	PREMIUM ON BONDS SOLD	1,809,036	549,244	-	-	-	-
306.397.305.00.00	TRANSFERS IN-FUND 305	-	-	-	-	600,000	-
306.397.000.00.00	TRANSFERS IN-GENERAL FUND	-	-	-	2,850,000	-	-
306.397.301.00.00	TRANSFERS IN - FUND 301	3,000,000	-	-	-	-	-
306.397.401.00.00	TRANSFERS IN - FUND 401	940,634	-	221,000	221,000	-	-
306.397.402.00.00	TRANSFERS IN - FUND 402	622,707	-	623,500	623,500	-	-
306.397.412.00.00	TRANSFERS IN - FUND 412	1,556,171	-	305,500	305,500	-	-
Totals		28,436,974	5,585,566	1,200,000	4,000,000	3,450,000	-

Expenditures

GL Account Code	Account Description	Actual		Projected 2020	Budget		
		2018	2019		2020	2021	2022
306.00.597.305.00.00	TRANSFERS OUT - FUND 305	-	-	-	283,709	-	-
306.01.581.200.79.00	OTHER DEBT	2,000,000	-	-	-	-	-
306.01.592.590.00.00	Interfund Loan Interest	16,977	-	-	-	-	-
306.01.597.208.00.00	Trasnfer Out to Fund 208	119,513	-	-	-	-	-
306.98.592.480.84.00	DEBT ISSUE COSTS	171,141	70,303	-	-	-	-
306.98.594.180.61.00	LAND	12,456,338	12,250,010	-	-	-	-
306.98.594.480.44.00	ADVERTISING	64	-	-	-	-	-
306.98.594.480.62.00	BUILDINGS & STRUCTURES	593,351	383,699	2,912,000	10,066,881	7,062,408	-
Totals		15,357,384	12,704,012	2,912,000	10,350,590	7,062,408	-

ATTACHMENT G
City of Tukwila
GOLF ENTERPRISE FUND
2021 - 2026 Analysis in 000's

REVENUES	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Estimate	2021	2022	2023	2024	2025	2026	Total
Excise Tax	4	3	4	5	3	3	4	4	4	4	4	4	24
Merchandise	118	108	138	142	122	116	115	115	117	124	130	132	733
Snacks Sales	18	15	13	13	15	16	15	15	17	17	19	19	102
Green Fees	992	908	1,063	1,100	1,086	1,210	1,030	1,049	1,089	1,116	1,160	1,204	6,648
Instruction	4	3	3	1	3	0	1	1	1	1	1	1	6
Interest Earnings	2	4	9	10	1	4	2	2	5	5	5	5	24
Rentals (Clubs & Pull Carts)	14	16	17	18	16	11	18	20	20	21	21	22	122
Rentals (Riding Carts)	172	152	197	200	185	236	190	195	200	215	215	220	1,235
Concession Proceeds	94	96	106	103	110	43	104	110	112	115	117	120	678
Cart Replacement Fee						14	18	18	18	18	18	18	108
Other - Rewards Program	8	9	13	20	39	22	21	21	20	20	20	20	122
Subtotal Revenues	1,426	1,314	1,563	1,612	1,580	1,675	1,518	1,550	1,603	1,656	1,710	1,765	9,802
Fleet Transfer from 501 Fund						212							
General Fund Contribution	300	300	300	300	300	300	300	300	300	300	300	300	1,800
Total Revenues	1,726	1,614	1,863	1,912	1,880	2,187	1,818	1,850	1,903	1,956	2,010	2,065	11,602
EXPENDITURES													
Golf Maintenance	794	782	883	902	861	870	829	847	881	908	936	964	5,365
Pro Shop Operations	631	593	621	678	591	602	588	603	619	635	651	668	3,764
Fleet Replacement	88	78	78	55	56	190	60	62	64	66	68	70	390
Course Improvements				35	35	31	40	41	42	44	45	46	258
Club House Maintenance							40	41	42	44	45	46	258
Cart Replacement (* Cart Fee)				50			80	41	36	37	38	39	271
Subtotal	1,513	1,453	1,582	1,720	1,543	1,693	1,637	1,635	1,684	1,734	1,783	1,833	10,306
Admissions Tax to General Func	59	59	70										
Indirect Cost Allocation ⁽⁵⁾	177	181	185	190	197	197	207	209	214	218	223	228	1,299
Total Expenditures	1,749	1,693	1,837	1,910	1,740	1,890	1,844	1,844	1,898	1,952	2,006	2,061	11,605
FUND BALANCE													
Change in Fund Balance ^(a)	(23)	(79)	26	2	140	85	(26)	6	5	4	4	4	(3)
Prior Period Operating AJ													
Fleet Fund Balance (restricted)						212							
Beginning Balance	738	715	636	661	663	663	960	934	940	945	949	953	960
Ending Balance	715	636	662	663	803	960	934	940	945	949	953	957	957

Fund Balance:													
Reserved ^(b) 20% of revenue	297	285	263	313	322	322	335	304	310	321	331	342	353
Assigned-Fleet ^(c)													
Assigned-CIP ^(d)													
Assigned-Clubhouse Maint ^(e)													
Assigned-Cart Fees ^(f)													
Unreserved	418	351	399	350	481	638	599	636	635	628	622	615	604
Ending Balance	715	636	662	663	803	960	934	940	945	949	953	957	957

^(a) Revenues in excess of (less than) expenditures.

^(b) Annual reserve balance requirement equals 20% of the prior year operating revenues.

^(c) Fund balance designated for the lifecycle replacement of golf equipment.

^(d) Fund balance designated for improvements to increase golf course playability.

^(e) Fund balance designated for clubhouse planned lifecycle maintenance.

^(f) Fund balance designated for lifecycle cart replacement program.

ATTACHMENT G-1

NOTES TO GOLF ENTERPRISE FUND

- 1) Green Fees and Instruction are expected to increase modestly as a function of both increased instruction for new and young players and greens fee increases. This model allows for annual increases in green fees to keep current with the market.
- 2) General Fund Contribution is the portion of the City's sales tax revenue that will be transferred to the 411 Golf fund to cover Indirect Cost Allocation and Working Capital Reserves.
- 3) The Golf Maintenance building is covered 50%/50% between Golf and the Parks Department.
- 4) Indirect Cost Allocation will be calculated on an annual basis.
- 5) The Working Capital Reserve Fund's policy was updated in 2012 per Resolution No. 1774 to maintain an adequate fund balance in each of the Enterprise Funds. For the Enterprise Funds, the unrestricted fund balance shall equal or exceed 20% of the previous year's revenue, exclusive of significant non-operating, non-recurring revenues.

Golf Enterprise Fund

The City's Enterprise Funds account for operations that are self-supported through user charges. The funds are financed and operated like a private business enterprise which requires periodic determination of revenues earned, expenses incurred, and net income for capital maintenance, public policy, management control and accountability. The Golf Enterprise Fund accounts for operation, maintenance, debt service and improvements of the municipal golf facility. The difference between the other utility enterprise funds is that Golf has voluntary users as opposed to involuntary users of the water, sewer, and surface water funds.

CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2021 to 2026

PROJECT: **Foster Golf Links General Improvements** Project No. Varies

DESCRIPTION: Provide annual improvements to the golf course and facilities, including greens, tees, drainage, irrigation, and facility lifecycle improvements as provided by golf revenues after operating costs.

JUSTIFICATION: Improvements are part of the plan to improve the playability of the course and maintenance of the clubhouse.

STATUS:

MAINT. IMPACT: Better year round play with improved course conditions, reduced maintenance, and increased safety.

COMMENT: Ongoing project, only one year actuals shown in first column. Funding provides resources for in-house and contracted work to complete major maintenance and lifecycle replacement projects.

FINANCIAL (in \$000's)	Through Estimated										
	2019	2020	2021	2022	2023	2024	2025	2026	BEYOND	TOTAL	
EXPENSES											
Engineering											0
Course Improvements	35	31	40	41	42	44	45	46	48	48	372
Club House Maint.			40	41	42	44	45	46	48	48	306
TOTAL EXPENSES	35	31	80	82	84	88	90	92	96	96	678
FUND SOURCES											
Awarded Grant											0
Proposed Grant											0
Mitigation Actual											0
Mitigation Expected											0
Golf Revenue	35	31	80	82	84	88	90	92	96	96	678
TOTAL SOURCES	35	31	80	82	84	88	90	92	96	96	678

