



Administration and Finance Committee Minutes

July 8, 2021
 4:00 PM
 Virtual Meeting

Commence: 4:00 PM
 Adjourn: 5:14 PM

Committee Members:	Present	Absent
Mayor Erin Sitterley, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Councilmember Clyde Hill	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Councilmember Senayet Negusse	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Other Council Members Present: Stanley Tombs, Peter Kwon

Staff Coordinator: Gwen Pilo, Finance & Systems Director

1. Call to Order	<i>Councilmember Clyde Hill called the meeting to order at 4:00PM.</i>
2. Public Comment	<i>None</i>
3. Review of the Minutes	<u> X </u> Recommended for Approval <i>A copy of the 06/10/2021 minutes were provided to the committee for review. The committee approved the minutes as presented.</i>
4. Copier Fleet Contract	<u> X </u> Recommended for Approval <i>Information Systems Manager Bart Perman provided the committee with a memo detailing a proposal to upgrade existing equipment and renew a 4-year lease with Canon Solutions America, resulting in an estimated \$4,660 of savings per year. The City has been leasing its copiers with Canon for the last 4 years and has been happy with the service and vendor. The committee recommended this item for approval, and it will be presented on the consent agenda at the July 13 Regular Council Meeting.</i>
5. Donation of Surplus Aid Car to Fire Cadets	<i>*Item pulled to review/revise. To be presented at a future A&F Meeting (TBD).</i>

<p>6. Property Acquisition for Des Moines Creek Park - Update</p>	<p><u>X</u> Recommended for Approval</p> <p><i>Public Works Director Will Appleton addressed the committee to provide an update on the approved acquisition of WSDOT owned surplus property, and request approval to modify the acquisition timing so that the property can be purchased in 2021, as opposed to 2022 as originally planned. A \$90,000 budget amendment will be needed to have enough funds available to purchase the property in 2021, and this amendment can be included as part of the City's next biennial budget amendment scheduled for September. The committee reviewed the proposal and recommended moving forward with the purchase in 2021.</i></p>
<p>7. City Hall & Maintenance Facility Assessment & Analysis</p>	<p><u>X</u> Recommended for Approval</p> <p><i>Parks, Community Programs & Services Director Lawrence Ellis presented the committee an overview of the results of the City Hall & Maintenance Facility Assessment & Analysis and the recommendations provided by the consultants and estimated costs. Staff recommended moving forward with the maintenance facility renovations and waiting on any City Hall recommendations until a strategic acquisition plan can be completed. The committee supported this proposal. These projects will be brought to the Council for approval and budget amendment as they move forward.</i></p>
<p>8. Investment Report</p>	<p><i>Finance & Systems Director Gwen Pilo provided the committee with the May 2021 Investment Compliance Report and Portfolio Analysis.</i></p>
<p>9. Future Meeting Schedule</p>	<p><i>The next A&F committee is scheduled for August 12th at 4:00PM (Location: Virtual).</i></p>
<p>10. Adjourn</p>	<p><i>Councilmember Clyde Hill adjourned the meeting at 5:14 PM.</i></p>

Pre-approval or final approval of City Council and City Manager travel related expenses

Approval and Registration Expense Approval

Peter Kwon

NLC City Summit

November 18-20, 2021

Committee Meeting on Nov 17

Salt Lake City, UT

	A&F Date 8/12/21 Budgeted Amount (estimates)	A&F Date 8/12/21 Expense Approval	A&F Date
Lodging	1,800		
Meals	320		
Transportation	725		
Registration	700	560	
Total	\$3,545		

Erin Sitterley, Chair



MEMORANDUM

To: A&F Committee
Through: Carl Cole, City Manager
Gwen Pilo, Finance & Systems Director
From: Bart Perman, Information Systems Manager
Date: August 12, 2021
Re: Hybrid Council and Council Committee Meetings

History:

Due to the Covid-19 pandemic, City Council meetings, Council Committee meetings, and Advisory Committee meetings have been held virtually since March of 2020. This was simple to accomplish using existing technology in Council Chambers for hosting, broadcasting, live streaming, and providing a dial in line for people to listen in on the meetings. With Covid restrictions being lifted, City staff were tasked with researching a hybrid meeting solution so meeting attendees would have the option of attending meetings virtually or in person. This presented a challenge as the audio sources from the in-room microphones and the virtual meeting were not synchronized and caused echo and feedback in the Council Chambers and the broadcast feed. In addition to this, there is no camera on the presentation computer used to provide audio and video for broadcast.

Staff attached a proposal from Avidex, our A/V vendor, for a hybrid solution which will add a camera to the presentation computer and provide echo cancellation programming in the audio inputs. The cost for the proposal including equipment and materials, technical services, and sales tax is \$13,983.49. This project is anticipated to take approximately 7 weeks from receipt of a purchase order from the City.

Proposal:

Staff is requesting that the Administration & Finance Committee approve this project and its inclusion in the budget amendment (301 fund) which will be presented to the committee on September 9th, 2021.

City of SeaTac

Council Chambers Hybrid Virtual Meeting Update

AUDIOVISUAL SOLUTION PROPOSAL

Avidex Project 210212 Version 2



STATE OF WASHINGTON
DES MASTER CONTRACT NO. 03418

Submitted by

Dave Crace
425-274-7916
dcrace@avidex.com



13555 Bel-Red Road, Suite #226 | Bellevue, WA 98005 | 425.643.0330

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Our work will be completed at address of job site location in the following rooms/spaces.

- Council Chambers

SCOPE

OVERVIEW

The City of SeaTac is interested in updating the Council Chambers to support the need for Unified Communications (UC) video conferencing using Teams/Zoom or other soft codec applications with remote participants.

DISPLAY

No display upgrades are provisioned under this SOW.

VIDEO

Other than the addition of the UC camera outlined below, no other video upgrades are provisioned under this SOW.

CAMERA

To support UC (Teams) the proposed SOW includes the addition of one (1) IP based PTZ camera. The location of the camera is flexible, only requiring the ability to pull two (2) CAT6a cables from the AV rack location. The current display locations on the far wall and support column may be suitable locations to provide coverage of the council members at the dais location.

AUDIO

The proposed upgrades include the addition of an IP format audio feed from the existing DSP to include microphones and program audio in support of UC conferencing. This is accomplished by combining the camera video and room audio on an IP stream to be available on the existing presentation table dedicated PC.

AUDIO – DSP

The proposed upgrades include updating the existing DSP file to provide the IP based audio feed in support of UC.

CONTROL

Control upgrades for the proposed IP PTZ camera include the implementation of audio triggers from the installed microphone stations as a part of the existing audio-

conferencing system to recognize the active speaker and programming the recall of camera presets.

Additionally, manual control of the camera is available via a free software download that will be loaded on the presentation / UC dedicated PC.

OFE PRESENTATION PC

The proposed upgrades are in support of UC Conferencing from an OFE PC located at the presentation table. In order to support the connectivity required for IP based camera and audio, the City of SeaTac will provide, install, and configure a dual NIC network card in the presentation PC.

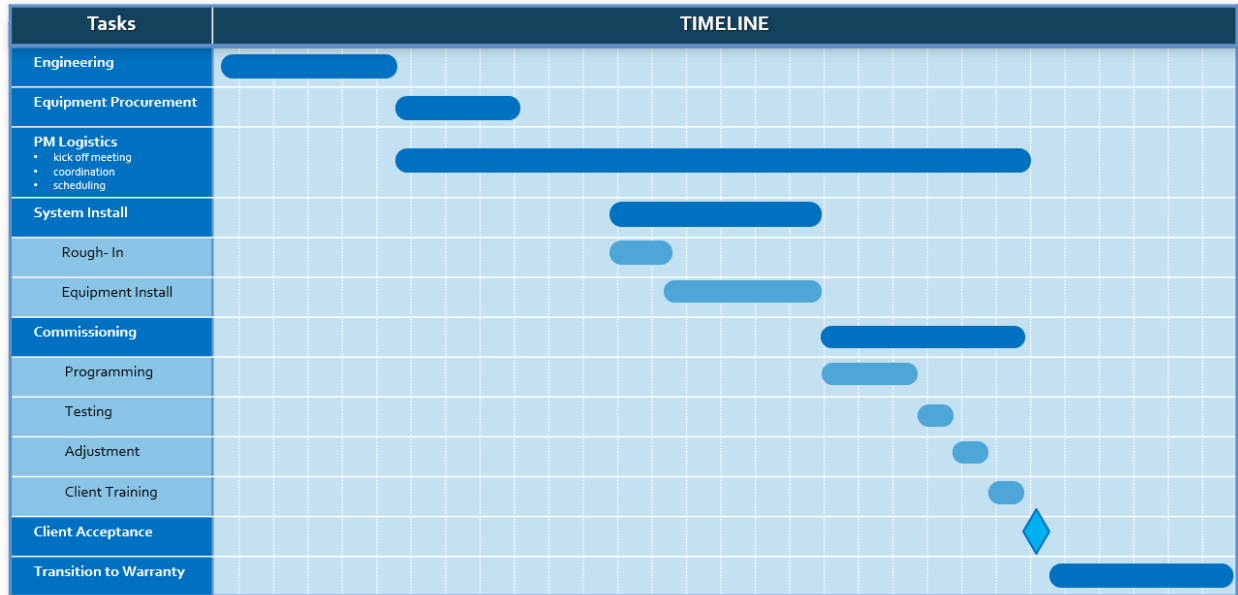
This will allow for PC wired network connectivity to both the City of SeaTac network for UC via their ISP, as well as the AV network for camera and audio.

EQUIPMENT RACK

No additional hardware is being installed in the existing rack, so no updates are required other than the necessary AV IP network wiring.

SCHEDULE

Avidex will work with the City to finalize a schedule that meets the implementation requirements of the project. The chart below identifies various phases in the overall process. Please note that each job is unique and will have its own installation schedule that will be agreed upon between Avidex and the client.



This project is anticipated to take approximately 7 week(s) from receipt of a valid Purchase Order or an executed contract referring to this proposal document. This is not a guarantee of delivery or installation time. Actual delivery and installation schedules will be finalized after receipt of the purchase order and mobilization payment.

PRICING

EQUIPMENT AND MATERIALS	\$ 4,926.61
MANUFACTURER EQUIPMENT AND SOFTWARE MAINTENANCE	\$ 329.00
TECHNICAL SERVICES – includes project administration, project management, audiovisual design & engineering, senior design engineering, CAD, on-site installation, programming, field engineering, system testing, training, G&A and New System Warranty. This proposal includes non-union labor for all activities.	\$ 7,404.24
PROJECT SUBTOTAL	<hr/> \$ 12,659.85 <hr/>
SHIPPING - *Ground shipping included per DES contract.	\$0.00
SALES TAX - Applicable sales tax will be added to invoices based on current tax rates on the invoice date as required by state law	\$ 1,278.64
PROJECT TOTAL	<hr/> \$ 13,983.49 <hr/>

Service Plan – Optional

DES – STATE MASTER CONTRACT NO. 03418 PRICING

1. Equipment Pricing

Equipment pricing will be calculated on a 13.00% cost plus mark-up based on the manufacturer's current published dealer unit cost.

- Shipping and Handling (Ground Delivery) included.
- Avidex will accept returned equipment within 30 days of delivery in original factory sealed packaging and may be subject to manufacturer re-stocking fees.

2. Hourly Rates

Hourly not to exceed service rates to be used to support design engineering, CAD drafting, project management, control system programming, wiring, cabling, installation, and training.

Electronic Technician – 200% of Prevailing Wage Hourly Rate (Installation)

PROVISIONS

- Rooms are to be made available for exclusive use on the day(s) of the scheduled installation. Unless specifically arranged in advance, room(s) will be available during Normal Business Hours in eight (8) contiguous hour segments. "Normal Business Hours" are defined as Monday through Friday, 8:00am to 5:00pm.
- Client will provide all electrical outlets floor boxes, conduits and core drills in the area(s) where audiovisual equipment is to be installed as specified by Avidex prior to Avidex beginning on-site work.
- Jobsite building structures including ceilings, walls and floors; used to support audiovisual equipment are assumed to be vibration free.
- Client will provide adequate parking for vehicle(s) in a location conducive to access to the vehicle(s) for retrieval of tools and supplies throughout the workday. If such parking is within a secured facility, Client will validate the parking tickets for the vehicle(s). Parking fees will be added to invoices.
- If installation occurs in any room in which suspended ceiling tiles are installed, Client will provide a reasonable number of spare tiles of the same pattern and batch number as those of the tiles already installed in the room.
- Client accepts responsibility for all merchandise sold and provided for this installation, delivered to the job site. Client will provide secure storage for such merchandise. Avidex will not be responsible for any loss or damage, except loss or damage caused by an Avidex employee during the act of installation, which occurs after delivery and acceptance by the client.
- Existing hardware, wiring, programming or configuration files are anticipated to be in good working order. Client shall provide programming and configuration files in editable formats. If, during the installation process, existing hardware, wiring, programming or configuration are found to be defective, the completion date of the project may be affected, and a change order may be required to overcome the obstacle(s) created by such defects.
- Client shall identify the presence of any pre- or post-tensioned ceilings or floors within the area of installation. If Avidex is to be held responsible for the integrity of such pre- or post-tensioned ceilings or floors, they shall obtain, at Client's expense, one or more x-rays of the area(s) in which mounting hardware is to be attached to structure of the building. Any expense incurred for x-rays shall be passed on to the Client, in the form of a change order or a line item on the purchase contract.
- Any standard merchandise that has been ordered for the job, and is not used as a result of any customer changes to the design, or refused by the client at the time of delivery will be subject to a minimum of 30% of the sales price restocking fees, plus any incurred freight charges. Any custom merchandise will be subject to a 100% of the sales price restocking fee, plus any incurred freight.
- Should Avidex be delayed at any time in the progress of the work, by material changes ordered in the work, by labor disputes, fire, unusual delay in deliveries, construction delays, unavoidable casualties or causes beyond Avidex's control, the agreed upon time for completion shall be extended by Change Order for such reasonable time as the Project manager may determine.
- Such Change Orders may include charges to cover additional costs incurred by Avidex due to the delay.

- Avidex's proposals for installation costs are based upon 8-hour days and 40-hour workweeks, Monday through Friday, between the hours of 8:00AM and 5:00PM. Installation costs for work outside of normal business hours or business days may be subject to overtime rates, when mutually agreed upon in writing.
- Avidex shall make all reasonable efforts to inspect and review the existing project site physical and audiovisual infrastructure conditions. Existing site conditions needing to remain intact, along with the Client or End-User direction for the audiovisual design may result in other required audiovisual infrastructure requirements (raceways, conduit, AC power, structural backing-blocking, structural engineer stamped drawings, etc.) and/or changes to the audiovisual equipment and integration labor, leading to pricing adjustments.
- Freight fees are estimated for ground freight service. Expedited freight, as required by the client, will be prepaid and added to invoices.
- The pricing information provided within this proposal is solely for the benefit of the Client listed on the title page. Award of work to Avidex by a 3rd party will require Avidex credit and contract term review and approval as well as pricing confirmation for the new contract terms.
- The Client will furnish Avidex such financial information as Avidex may reasonably request to establish credit terms for the project. Such financial information shall be proprietary and confidential to the Client. Avidex agrees not to disclose this information to any other party or use the information other than for the internal credit check. Avidex may, at its sole discretion, cancel this agreement at any time if the Client fails to meet credit requirements established by Avidex.
- The Americans with Disabilities Act (ADA) and California Building Code require the provision of Assistive Listening Systems in assembly areas, conference rooms, and meeting rooms. Hardware and services may be required for ADA-compliance. Client or its contractor should review project requirements for ALS with Avidex for each project to determine if portable or fixed systems are required. ALS hardware, if provided, will be identified in the Equipment List appendix.
- Where applicable, Avidex will provide the Client or End-User with an irrevocable, royalty-free license and full access to control systems and other software source code(s) that have been written by Avidex specifically for this project. All software program(s) or code(s) will be provided with an explicit understanding that no modification, no duplication, nor distribution of the software by the Client or End-User shall be allowed. Software source code modifications by the Client or End-User, resulting in audiovisual systems malfunction shall be the responsibility of the Client or End-User to remedy.
- Changes in project scope and timeline may require additional hardware, equipment and labor may be necessary to complete the project. These additions will be considered change orders. Avidex will notify the Client in writing if Avidex determines an increase or decrease in the project fees or timeline will be required. Change orders will include a change request number, reason for the change request, narrative description of the modified scope of work, schedule and cost impact. The Client will provide written approval to proceed with the change and any needed updated purchase order or signed agreement as a record for both organizations. Should the Client in whole cancel project in whole or in part, prior to final completion, the Client agrees to pay Avidex for all reasonable costs incurred to date and/or to bring the project to an acceptable close.

WORK & PRODUCTS PROVIDED BY OTHERS (EXCLUSIONS)

- All required architectural floor, reflected ceiling, building elevation, and section plans in an agreed upon AutoCAD format at no charge to Avidex.
- Any and all related electrical work, including but not limited to 110VAC, conduit, raceway, and boxes. This includes all conduits, high voltage wiring panels, breakers, relays, boxes, receptacles, etc.
- All network connectivity, routing, switching and port configuration necessary to support audiovisual equipment, unless specifically addressed elsewhere in this document.
- Voice and data infrastructure and systems.
- Necessary sheet rock replacement and or repair.
- Necessary ceiling tile or T-bar modifications, replacement, and/or repair.
- All millwork, moldings, trim, etc., or modifications to project millwork necessary to accommodate the installation of the audiovisual equipment unless otherwise noted in this proposal.
- Rough-in, bracing, framing, or finish trim carpentry for installation.
- Backing required to support wall mounted equipment including display, loudspeakers, camera, et cetera.
- Painting, patching or finishing of architectural surfaces.
- Core drilling and/or concrete saw cutting.
- HVAC, plumbing, sprinkler head, and lighting fixture relocation.
- Ceiling, roof, firewall, and/or floor penetration(s).
- Removal or patching, of fire stopping.
- Structural welding, cutting, or reinforcement of structural steel members required for support of assemblies.
- Work in asbestos treated areas and asbestos abatement. If asbestos is discovered during our work, Avidex will notify Client and will stop work until asbestos abatement work is completed by Client or its contractor.
- Any subscription services, cabling, and equipment.
- Provision and configuration of client furnished computers and software.
- Acquisition of permits.
- All Union Labor unless specifically addressed separately in proposal pricing.

NEW SYSTEM WARRANTY

Avidex warrants the integrated system(s) furnished are free of defects in workmanship and materials for a period of one year from the date of acceptance or date of first beneficial use whichever occurs first. Remedy for such defects during the warranty period shall be provided at no additional expense to the client and shall be handled as expeditiously as is feasible during normal business hours and days of operation.

Under this warranty, Avidex will troubleshoot, uninstall and reinstall any equipment within the Avidex audiovisual system except for the cost to service and/or repair Client Furnished Equipment or equipment out of manufacturer's warranty. Avidex will broker and process the repair of that equipment at the standard Avidex rate.

Avidex reserves the right to charge for a service visit at standard Avidex service time and material rates (minimum of 2 hours onsite plus travel) if a service call results in a No Fault Found (NFF) or No Trouble Found (NTF) during a dispatched site visit.

Avidex Services Provided Under the New System Warranty

- Avidex will respond to requests for assistance due to client-reported issues and, if warranted, dispatch a technician during normal business hours (8:00AM to 5:00PM Pacific Time, Monday – Friday, excluding Avidex holidays) to troubleshoot the AV system problem based on our available resources
- Avidex will identify and uninstall the defective equipment and return such equipment to the manufacturer or authorized repair center for warranty processing
- Avidex will reinstall the repaired or replaced equipment and test the system
- Avidex will pay the shipping costs associated with the repair of the equipment, except for Client Furnished Equipment and/or equipment out of manufacturer warranty

Avidex Services Not Provided Under the New System Warranty

- Extend or provide additional repair services for manufacturer warranty coverage
- Repair of Client Furnished Equipment
- After hours 24x7 Helpdesk support
- Guaranteed on-site response time
- Remote system monitoring, management, and reporting
- Before- or after-hours on-site response
- Proactive support or preventive maintenance
- Training
- Spare or loaner equipment during equipment repair period
- Warranty coverage for client acts of negligence or misuse

360° SERVICE PLAN SM

Avidex recommends the Essential 360° Service Plan less remote monitoring for this project. Avidex 360° Service enhances the new systems warranty coverage with proactive support services for worry-free operation. See Appendix A for further details on the proposed 360° Service Plan.



360° Coverage	Essential	Advanced	Elite
Help Desk Support Availability	8x5*	24x7	24x7
Priority Call Response Time SLA	4 hours	2 hours	1 hour
Priority On-Site Response Time SLA	2 business days	1 business day	4 business hours*
RMA Management of OEM Hardware	•	•	•
Annual Preventive Maintenance & Reporting	One	One	One
Assigned Service Management with Escalation Access		•	•
On-Site AV Service Assurance Technician	Optional	Optional	Optional
Emergency Loaners for Business-Critical Devices			•
The below items: Remote Monitoring, Fault Detection, Analytics & Reporting of Devices may require the implementation of hardware and software applications. Refer to the proposed scope of work to confirm if these features have been included.			
Remote Monitoring with Fault Detect & Reporting	•	•	•
Remote Monitoring with Fault Diagnoses & Troubleshooting		•	•
AV Solution Analytics & Reporting		•	•
Management of Device Firmware, Configurations & Changes			•

* Standard Business Hours in Pacific Time

Initial Term and Automatic Renewal

The initial term of the specified 360° Service Plan Agreement is identified in the pricing section. Unless written termination is requested by either party thirty (30) days in advance of the anniversary expiration date of the current 360° Service Plan term, the Agreement between the parties shall automatically renew for successive one (1) year periods. Written termination requests by the client should be sent to: Attn. Contract Admin 13555 Bel-Red Road, Bellevue, WA, 98005.

At any time within the current term or renewal period should adjustments in work responsibilities and/or price be deemed necessary, proposal and agreement revisions shall be exchanged between the parties, be mutually agreed upon in writing and once executed become part of the current Agreement or understanding between the parties.

PAYMENT TERMS

This proposal is valid for 30 days from the date appearing on the cover page.

- Monthly progress invoices will be issued with net 30-day terms.
- Freight – Ground shipping is included for equipment per DES contract.
- Sales tax will be added to invoices based on current tax rates as required by state law on the invoice date.
- Avidex reserves the right to charge for stored materials and/or equipment.
- Avidex reserves the right to charge a 1.5% fee for late payment of invoices.

AUTHORIZATION TO PROCEED – INTEGRATION SERVICES

Avidex will begin the implementation phase of this project upon receipt of the client purchase order or executed contract referring to this proposal and the mobilization fee.

Submitted by: Avidex Industries, LLC

Name: Dave Crace

Signature: 

Date: July 28, 2021

Client Approval

Name: _____

Signature: _____

Date: _____

APPENDIX B: EQUIPMENT LIST

*To be provided at the point of acceptance of this proposal if required by Client.

TERMS & CONDITIONS

The Terms & Conditions are based on State of Washington DES Master Contract No. 0318.

<https://apps.des.wa.gov/DESContracts/Home/ContractSummary/03418>

American Rescue Plan Act (ARPA) Update

Administration & Finance Committee, August 12, 2021



By:

City Manager Carl Cole

&

Finance and Systems Director
Gwen Pilo



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

The purpose of this presentation is to provide the Administration & Finance Committee an update on staff efforts to understand and administer ARPA grant funds and request direction for continued work.

During a Special Council Meeting on June 15, 2021, Council unanimously approved Agenda Bill 5754, authorizing the City Manager to apply for and accept SeaTac's allocation of ARPA funds.

- SeaTac was awarded \$8,107,574 dispersed in two equal allotments in 2021 and 2022.
- At the time of passage of AB 5754, a commitment was made to check back with Council on progress made towards expending the grant.

ARPA Administrative Rules

- **Over the past few months, the rules around the expenditure and administration of the ARPA grant have been developed and disseminated by the US Treasury and the State.**
- **The funds are referred to as Local Fiscal Recovery Funds (LFRF) to distinguish between the grant funds awarded to cities and the ARPA legislation, which also funded other items.**
- **Funds may be used for eligible costs incurred/obligated between March 03, 2021, and December 31, 2024, and must be spent or returned to the US Treasury by December 31, 2026.**

Local Fiscal Recovery Funds (LFRF)

- **Expenditures must fit into 1 of 4 categories:**
 - **Responding to public health emergency caused by COVID-19**
 - **Premium Pay for eligible essential workers**
 - **Revenue replacement**
 - **Investment in water, sewer, or broadband infrastructure**

LFRF Compliance Highlights

- **Compliance requirements (overview):**
 - **Develop and implement internal rules for decision making**
 - **Thoroughly document process and funding decisions made**
 - **Funds CAN be placed in interest bearing account**
 - **Interest earned does not need to be reported to Treasury and is NOT restricted in its uses**
 - **If programmed for subrecipients, extensive program development required followed by close monitoring**
 - **Extensive reporting is required on all expenditures**

LFRF Compliance Highlights - Reporting

- **Obligations and expenditures must fit into 1 of 7 subcategories:**
 - **Public Health**
 - **Negative Economic Impacts**
 - **Services to disproportionately impacted communities**
 - **Premium Pay**
 - **Infrastructure**
 - **Revenue Replacement**
 - **Administration**

LFRF Compliance Highlights – Reporting (continued)

- **All projects undertaken using LFRF dollars require extensive development and reporting both before and after implementation.**
 - **Our assessment is that management of LFRF is onerous enough that it cannot be accomplished with existing resources.**

Plan Moving Forward...

RECOMMENDATIONS

- Use LFRF grant money to hire a TLT (up to three years) Program/Project Manager to oversee the expenditures and reporting of LFRF
 - This is an allowable expense under the rules
 - Recommend Term Limited as window for expending the LFRF closes on December 31, 2026
- There are a couple of expenditure categories that we would like to explore:
 - Revenue replacement
 - Streets Fund was impacted due to lost Parking Tax
 - Rehiring staff laid off due to impacts of COVID-19
 - SCORE

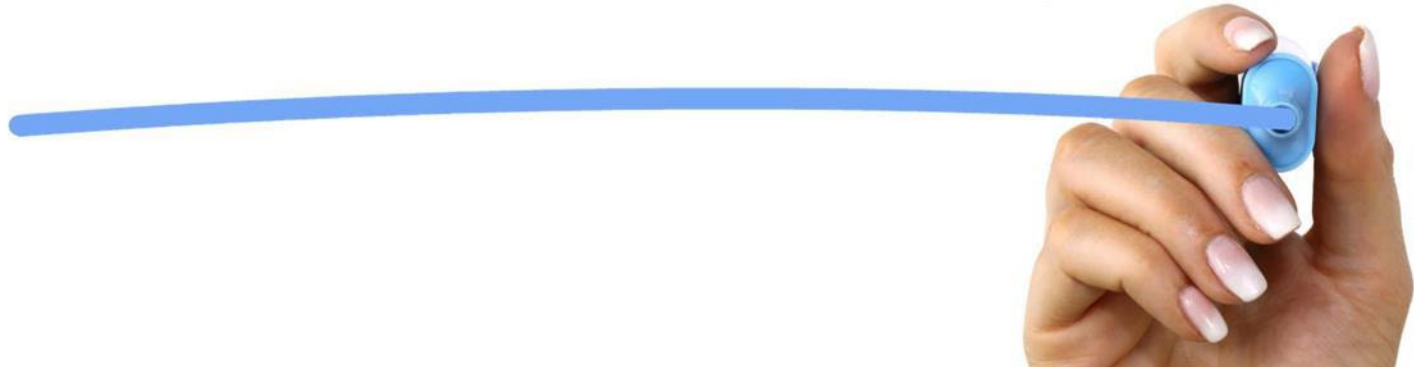
Plan Moving Forward...

WHAT IS REQUESTED OF THE A&F COMMITTEE:

- Is our early approach acceptable?
- Can we commit to spending at least some portion of the grant to continue pursuit of projects and programs that will aid in economic recovery?
 - Sourcing and hiring a Program/Project Manager will commit us at some level, but significant Council touches will still be required moving forward as acceptable expenditures are developed and added to the budget for implementation.

QUESTIONS?

QUESTIONS





MEMORANDUM

To: Administration and Finance Committee
Through: Carl Cole, City Manager
From: Gwen Pilo, Finance and Systems Director
Date: August 12, 2021
Re: City of SeaTac Purchase Card Program

Purpose:

Review and recommend to the full Council a Resolution establishing a Purchase Card Program and authorizing the City Manager to enter into an agreement with US Bank for credit card services. This item can be recommended to be put on the Consent Agenda.

Analysis:

CW-007 was approved in April 2012 and updated in February 2018. Credit cards were acquired through Bank of America and credit card purchases are managed through a process of pre-approval and post approval forms. The credit cards have no purchasing controls other than the purchase approval process.

The Government Finance Officers Association (GFOA) has recommended governments use P-cards to improve the efficiency of their purchasing procedures. A P-card program provides an efficient, cost-effective method of purchasing and paying for smaller dollar as well as high volume purchases. These programs provide a reduction in the need for purchase orders, invoices, and checks processed. P-Cards can be used with any vendor that accepts credit cards. The Washington State Department of Enterprise Services maintains a purchasing agreement with U.S. Bank, also our current banking services provider, for Purchase and Travel card services, thus eliminating the need for a Request for Proposal process.

The P-Card Program, attached as Exhibit A, was created using the GFOA Best Practice for Purchasing Card Programs, Municipal Research Services Center (MRSC) recommendations for creating P-Card Policies, and the National Association of Purchasing Card Professionals (NAPCP) Government/K-12 Best Practices Guide, Considerations for Public Sector P-Card Programs.

The P-Card Program provides many benefits to the City, the cardholder, and the vendor. Benefits to the city include simplified purchasing and payment processing, lower transaction processing costs, the ability to set and control purchasing dollar limits, merchant categories, and vendors where the card can be used, and provides quarterly rebates based upon the dollar volume of total

purchases. The cardholder benefits from an expedited purchasing process and delivery of goods, opportunity for better pricing, expanded list of merchants from whom purchases can be made, and reduced paperwork. Vendor benefits include expedited payments, reduced paperwork, and lowered risk of non-payment due to fraudulent purchases.

Exhibit A, City of SeaTac Purchase Card Program provides the programs structure, roles and responsibilities, card controls, and audit expectations and will replace CW-007 Credit Card Use for Non-Travel upon implementation of the Program.

Budget Significance:

There is no direct budgetary impact. However, quarterly rebates based on dollar volume of purchases will increase revenue for the purchasing fund.

CITY OF SEATAC

Purchase Card (P-Card) Program

US Bank Visa Card (Washington State Purchase Procurement Card/P-Card)

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1.0 INTRODUCTION

The implementation of a City Purchase Card (P-card) program is recognized by the State of Washington as usual and customary for official government purchases as provided in RCW 43.09.2855. The State of Washington NASPO (National Association of State Procurement Officials) ValuePoint Program, administered by the State Department of Enterprise Services, contracts with US Bank to provide local governments a Purchase Card program. The US Bank Visa Card is the current product and operates much as a commercial P-Card with the exception that no debt balance may accrue as the outstanding balance must be paid monthly in total.

The City of SeaTac City Council recognizes the use of P-Cards is a customary and economical business practice to improve cash management, reduce costs, and increase efficiency. The City Manager is authorized to enroll the City in the NASPO ValuePoint Purchase Card Program following Council action on July 27, 2021, approving this program.

The City of SeaTac Purchase Card Program is designed to:

- Expand purchasing options;
- Generate revenue for the City of SeaTac through an incentive rebate;
- Reduce the use of petty cash funds;
- Streamline small dollar purchasing processes by making it simpler and faster;
- Reduce the number of requests for special checks;
- Reduce paperwork, transactions, and checks associated with standard purchasing and payments;
- Eliminate the need to use personal funds;
- Allow purchases under emergency conditions with approval.

The P-Card Manager shall implement and administer the following procedures and processes related to the use of P-Cards by elected officials and employees.

2.0 DEFINITIONS

Issuing Bank: US Bank is the issuer of the City of SeaTac VISA P-Card.

Procurement Card Manager: The Treasury Operations Manager will be the responsible authority acting as the City P-Card Manager.

City P-Card Administrator: The Accounts Payable Accounting Technician will be responsible for managing the P- Card Program. The Administrator will act as the liaison between the Manager and the individual city P-Cardholders.

Cardholder: Elected Officials or Employees issued a City of SeaTac US Bank VISA P-Card.

3.0 DISTRIBUTION

City P-Cards will be directly issued to all elected officials and non-probationary City of SeaTac employees with Director approval.

4.0 APPLICATION

The terms of this program shall apply to both elected officials and employees of the City of SeaTac as provided herein.

City of SeaTac US Bank VISA Cards shall be issued as follows:

4.1 Elected Officials

- a. Elected official reviews the City of SeaTac P-Card User Agreement (see Exhibit B) and completes the City of SeaTac US Bank VISA Card Application Form (see Exhibit A).
- b. Finance Director approves the application and forwards it to the P-Card Manager.
- c. P-Card Manager processes the application with the issuing bank and receives P-Card.
- d. P-Card Manager schedules time with elected official to review User Agreement, answer questions and have elected official sign P-Card User Agreement.
- e. Elected official activates and retains P-Card in a secured location or returns card to the P-Card Administrator for safekeeping until needed by the elected official.

4.2 Employees

- a. Employee reviews the City of SeaTac P-Card User Agreement (see Exhibit B) and completes the City of SeaTac US Bank VISA Card Application Form (see Exhibit A).
- b. Department Head approves the application and forwards it to the P-Card Manager.
- c. P-Card Manager processes the application with the issuing bank and receives P-Card.
- d. P-Card Manager schedules time with employee to review User Agreement, answer questions and have employee sign P-Card User Agreement.
- e. Employee activates and retains P-Card in a secured location or returns card to the P-Card Administrator for safekeeping until needed by the employee.

5.0 AUTHORIZATION & CONTROL

The Issuing Bank provides an on-line portal at: <https://access.usbank.com/cpsApp1/index.jsp> where authorized users may review their P-Card transactions within 2 days after the purchase is made. City P-Card holders shall also use this portal to print and reconcile their monthly statements (Review Exhibit C for detailed how-to instructions).

The Procurement Card Manager will set up and maintain each P-Card account(s) with the issuing bank and perform audits as required under RCW 42.24.080¹.

The P-Card Administrator shall review, provide reports, and coordinate all aspects of the program.

When a City of SeaTac US Bank VISA P-Card is issued each Cardholder will be required to sign a City of SeaTac P-Card User Agreement (see Exhibit B) acknowledging they have read and understand the policy, they understand violation of the policy may subject them to disciplinary action, up to and including termination, and that in the event they make any unauthorized charges they expressly authorize the City to deduct the unauthorized charges from any wages or other sums due, or to become due, to the Cardholder from the City.

The use of purchase cards shall fully comply with all applicable State and Local requirements governing purchase of good and services, specifically including, without limitation, the City's adopted Purchasing Policy.

The P-Card Manager shall conduct an annual physical card inventory test to verify all city issued cards have been accounted for.

The P-Card Manager shall prepare an annual disclosure for City Council which includes a review of purchase limits, past year spending pattern, number of unauthorized expenditures (i.e., fraudulent charges), number of employee errors reimbursed (cards mistakenly used for personal purchases), any losses to the City, amount of P-Card Revenue (incentives), and results of the physical inventory test.

6.0 APPROVED USES FOR P-CARD PURCHASES

The City of SeaTac will facilitate a process for purchases using the City of SeaTac US Bank Visa P-Cards, consistent with the Purchasing Policies and the Travel Policy of the City of SeaTac. All P-Card purchases shall only be made for budgeted expenditures authorized by the City Council at the time of the purchase in the current budget year.

6.1 Allowable Purchases

Authorized users may use their card for one-time or recurring purchases from vendors. The use of the card for these purchases will be for timeliness of payment and/or online access to goods and services. Examples of allowable purchases may include advance payment of airline fares, lodging, registration fees, conferences, on-line training, internet purchases, emergency purchases in the field, and specialized

¹ This statute requires that every P-Card invoice presented to the City by an employee for the furnishing of materials, rendering of services or performing labor, or for any other contractual purpose, shall be audited before payment. The invoice shall be submitted to the City P-Card Administrator and allow the P-Card Manager to authenticate and certify that the materials have been furnished, the services rendered, the labor performed as described, or that any advance payment is due and payable pursuant to a contract, and that the invoice represents a just, due, and unpaid obligation against the City. No P-Card invoice will be paid without such authentication and certification.

office/field equipment and supplies not ordered on a schedule. P-Cards may be used anywhere VISA is accepted.

Authorized users may use the P-Card to purchase meals while in travel status however, purchased meals must fall within the guidelines of the Travel Policy.

When involved in any aspect of purchasing, the cardholder is acting as an agent of the City of SeaTac. Therefore, the cardholder is responsible to act in the best interest of the City. Cardholder actions must NOT show, or appear to show, personal favoritism to a vendor at the expense of the City.

Prior to using the City P card, cardholders should consider the following:

- Are the items on the disallowed charges list (Section 7)?
- Can the purchase be made through the existing check issue process?
- Have all purchasing policies been followed (written quotes, competitive bidding, dollar limits, necessary approvals)?
- Is this purchase required to perform a job-related task?
- Is the purchase within the P-Card limits?
- Are items immediately available?
- Does the vendor immediately authorize the purchase with VISA and provide a detailed copy of the P-Card purchase receipt?

6.2 Documentation

All receipts, packing lists and backup authorizing documents shall be retained and attached to the P-Card Transaction Log.

Original documentation is required for each purchase and shall include the date and time of purchase, the specific item(s) or service(s) purchased, and related details such as tax or gratuity, if applicable. If the receipt is not clear as to what was purchased, or if the purpose of the purchased item is not clear, this information shall be provided.

All meals charged must have the original detailed receipt showing specifically what was purchased. Receipts only containing the total amount paid for meals are not acceptable. If the receipt does not show the detail or if the meal is over the amount allowed in the Travel Policy, the user will be responsible to reimburse the City for this purchase through payroll deduction.

The P-card Transaction Log is due by the 5th of each month to the P-Card Administrator or designee for review and preparation for the monthly vendor payment cycle.

7.0 DISALLOWED CHARGES

The following uses are not authorized P-Card purchases:

- Capital Equipment
- Items or Services for Personal Use, even with the intent to repay the city
- Auto-Renewals without invoice or receipt

- Fuel or Tolls for Personal Vehicles
- Cash Advances of any kind (RCW 43.09.2855)
- Alcoholic Beverages
- Money Orders/Travelers Checks/Gift Cards
- Split Transactions to Avoid Purchasing Rules
- Purchases Outside of Purchasing Authority or Merchant Category

Any charges against the P-Card not allowed as required by this Policy shall be paid by the cardholder by salary deduction.

Any cardholder who has been issued a P-Card by the City shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand by the P-Card Manager. The City shall have the authority, as provided in RCW 42.24.115(3), to revoke the use of any issued P-Card, and once notice of this revocation has been delivered to the P-Card company, the City shall not be liable for any costs.

Any employee with a demonstrated history of charge card defaults may be barred from using any City P-Cards by the P-Card Manager or Department Head as appropriate.

8.0 CREDIT LIMITS

Credit limits authorized the Cardholders Department Director are set to match field needs. Card limits can be temporarily raised for travel or a specific authorized purchase.

If the Department Director determines that the credit limit should be increased or decreased, then he/she must submit a written request to the City P-Card Manager specifying the amount of increase or decrease and whether it is a temporary or permanent request.

There may also be limitations on acceptable merchant category codes (MCC). Some vendors may be disallowed and thus will cause a decline of any attempted purchase with them (allowable or not). If after adhering to the proper guidelines and limits stated above, the cardholder believes the purchase has been mistakenly declined, contact the City P-Card Administrator for assistance.

9.0 RECEIPT OF GOODS & SERVICES

The cardholder is responsible for ensuring the receipt of the goods and services, as ordered and any follow-up with the vendor to resolve any delivery problems, discrepancies, or damaged goods. Should any item(s) need to be returned to the vendor, the cardholder will follow the vendors return policy and be responsible to ensure that proper credit is posted for said return item(s). In most cases, returns and errors can be resolved directly between the cardholder and the vendor.

If for any reason the cardholder is unable to reach agreement with the vendor, the cardholder must contact US Bank and explain the dispute and the reason behind it and immediately inform the City P-

Card Administrator of the situation. US Bank procedures in relation to the dispute and its processes will be followed.

10.0 PAYMENT OF BILLS

The following process shall be used to pay P-Card bills:

- a. On the first business day of the month, billing statements will be retrieved by each cardholder via the on-line portal.
- b. By the 5th of the month, each cardholder will complete a P-Card Transaction Log providing proper account coding, attach appropriate receipts substantiating the total amount of the monthly billing, and submit to the City P-Card Administrator for payment.
- c. The City P-Card Administrator will reconcile and combine all statements to the complete City P-Card statement each month.
- d. The City of SeaTac will not pay interest and/or penalties on any P-Card. It shall be the responsibility of the Cardholder to contact the issuing bank to have interest or penalties accrued because of late submission removed from the bill.
- e. The City of SeaTac is responsible for the VISA card payment and liability, and it will not affect any City cardholder's personal credit in any way.

11.0 CARD SECURITY

The City of SeaTac VISA Card should always be treated with great care and kept in a secured location. The Cardholder is the only person authorized to use the card.

Do not write the P-Card number down in any location and do not allow any vendor to write down the P-Card number.

It is the responsibility of the cardholder to immediately report a lost or stolen City P-Card. The City of SeaTac is liable for all transactions until the card is reported lost or stolen to the extent expressly required by law. A cardholder must report a lost or stolen P-Card by phone directly to US Bank Customer Service at 1-800-344-5696 and to the City P-Card Administrator. Verbal reports of lost or stolen P-Cards must be followed up in writing to the City P-Card Administrator. A replacement card will be sent within 10 days after a report is filed.

12.0 RENEWAL OF EXISTING P-CARD

A renewal P-Card will be sent automatically to the City P-Card Manager by the issuing bank approximately 30 days prior to the expiration date of the card. This renewed card will in turn be forwarded to the cardholder.

13.0 EXTENDED ABSENCE

If the Cardholder will be absent from the City for an extended period, the P-Card shall be returned to the P-Card Administrator for safekeeping during the absence.

14.0 AUDITS & ENFORCEMENT

To ensure the continued success of the City P-Card Program, as well as adherence to the policies as outlined, all individual P-Card accounts will be open to internal audit requirements (see Section X Authorization and Control).

14.1 Statement Reconciliations

If statement reconciliations are not received by the due date or without complete detailed receipts P-Card limits may be set to ZERO until the completed reconciliation is received. For continual offenders, the P-Card may be cancelled at the discretion of the P-Card Manager or Finance Director.

14.2 Personal Use

Personal use of a City P-Card will NOT be tolerated and may result in:

- Disciplinary action, up to and including termination.
- Legal action.
- Permanent revocation of the card.
- Direct payroll deductions for any unauthorized or personal charges made on the city P-Card.

14.3 Termination

The P-Card must be returned to the City P-Card Manager upon separation from the City of SeaTac.

15.0 RESOURCES

15.1 City of SeaTac

City P-Card Manager/Treasury Operations Manager - Ruth Black

Phone: 206-973-4886

Email: rblack@seatacwa.gov

City P-Card Administrator – Annie Shelton

Phone: 206-973-4887

Email: ashelton@seatacwa.gov

15.2 VISA – US Bank

General Account Inquiries (statements, transaction, balances, lost or stolen cards, PINs):

Phone: 1-800-344-5696 or 1-701-761-2010

Password Resets & General Navigation:

Phone: 1-800-887-9260 or 1-701-461-2042

*** Cardholders needing further Access Online support should contact their Program Administrator ***

DOCUMENTS

Exhibit A - City P-Card Application

Exhibit B - City P-Card User Agreement

Exhibit C - US Bank Web Portal How-To Instructions

City P-Card User Agreement – Exhibit B

CITY OF SEATAC P-CARD USER AGREEMENT

Your signature below verifies that you have read and understand the City of SeaTac P-Card Program guidelines listed below and agree to comply with them.

1. I understand the City P-Card is intended to facilitate the purchase of business-related goods and services for the conduct of City business and is not for my personal use.
2. I understand that my card may be revoked at any time based on change of assignment or location and that use of this card is not an entitlement nor reflective of title or position.
3. I understand that if I am issued a card with my name specifically, I am the only person authorized to use the card and I am responsible for all charges made against the card.
4. I understand that improper use of the card can be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
5. I understand that all charges are billed directly to and paid directly by the City of SeaTac and any personal charges on the card could be considered misappropriation of funds since VISA/US Bank cannot accept any payment from me directly. Repayment of any such charges will be made via payroll deduction.
6. I understand that I will be required to provide detailed receipts, to reconcile monthly statements and to comply with internal control procedures designed to protect the City assets.
7. I understand that I am responsible for resolving any discrepancies that may occur by contacting the vendor and/or US Bank directly.
8. I understand it is my responsibility to safeguard use of the issued P-Card and use appropriate security whenever and wherever I use the card. If my card is lost or stolen, I agree to immediately notify VISA as well as the City P-Card Administrator.
9. I understand that the VISA card is the property of the City of SeaTac and it must be surrendered upon separation of employment or demand of surrender by the City P-Card Manager and/or the department head. At that point, no further use of the account will be authorized.

I hereby acknowledge receipt of the City P-Card (ending in last 4 digits) _____

As a Corporate Cardholder, I agree to comply with the terms and conditions of the VISA/US Bank agreement and the City of SeaTac's City P-Card Program.

I HAVE READ AND UNDERSTAND THE ABOVE CONDITIONS.

Card Holder: _____

Date: _____

Signature: _____

Finance Initials: _____

US Bank Web Portal How-To Instructions - Exhibit C

Log onto: <https://access.usbank.com/cpsApp1/index.jsp>

Type in where indicated the following Organization Short Name = XXXXXX

User ID = specific to the user Password = specific to the user

To Review Transactions:

Choose Transaction Management on the left side of screen Choose Transaction Listing

Enter in Last Name of Account you are reviewing

To Review/Print Statements:

Choose Account Information on the left side of screen

Choose Cardholder Account Statement

View

RESOLUTION NO. _____

A RESOLUTION of the City Council of the City of SeaTac, Washington, establishing a Purchase Card Program and authorizing the City Manager to enter into an agreement with U.S. Bank for credit card services.

WHEREAS, RCW 43.09.2855 authorizes local governments to use credit cards for official government purchases and acquisitions provided that their legislative bodies adopt a system for:

- a) Distribution of the credit cards;
- b) Authorization and control of the credit cards;
- c) Credit limits available on the credit cards;
- d) Payment of the bills; and
- e) Any other rule necessary to implement or administer the system under this section; and

WHEREAS, RCW 42.24.115 authorizes municipal corporations to issue charge cards to officers and employees for the purpose of covering expenses incident to authorized travel; and

WHEREAS, the City Council intends to establish a Purchase Card Program in order to improve cash management, reduce costs, and increase efficiency by city officials and employees; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC,

WASHINGTON, DO ORDAIN as follows:

Section 1. The SeaTac City Council establishes the Purchase Card Program attached hereto as Exhibit A.

Section 2. The SeaTac City Council authorizes the City Manager to enter into an agreement with U.S. Bank for credit card services.

Section 3. R20-15 City of SeaTac Financial Policies, Other Policies, Number 6, referencing CW-007 Credit Card Use for Non-Travel will be replaced by CW-XXX Purchase Card Program upon implementation of the Purchase Card Program.

PASSED this ____ day of _____, 2021, and signed in authentication thereof on this ____ day of _____, 2021.

CITY OF SEATAC

Erin Sitterley, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to form:

Mary E. Mirante Bartolo, City Attorney

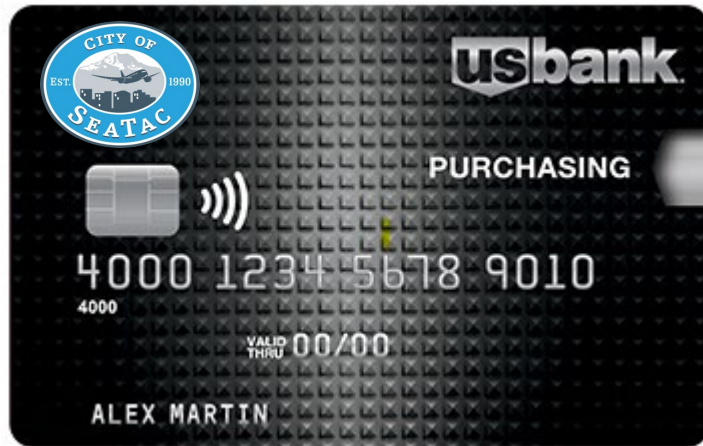
[Effective Date: _____]

[Purchase Card Program]

ADMINISTRATION & FINANCE COMMITTEE

Purchase Card Program

August 12, 2021



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

To provide an overview of the proposed Purchase Card Program for Council Approval.

WHY IS THIS ISSUE IMPORTANT?

1. Purchase Card Program was on the list of Policies to review and update (2017).
2. The current policy (CW-007) was reviewed, and minor updates done in 2018.
3. Program should be updated with current best practices.
4. The P-card program will provide incentives the current program does not.

POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Forward Agenda Bill #5727, A resolution establishing a Purchase Card Program and authorizing the City Manager to enter into an agreement with U.S. Bank for credit card services to Council for Action on the September 14, 2021, Consent Agenda.

REVIEWS TO DATE

- A&F 08/12/2021

AGENDA BILL #5727 OVERVIEW

CW-007 Credit Card Use for Non-Travel

- Created in 2012 & updated in 2018
- Credit Card purchasing managed through pre-approval and post approval forms
- Process is not efficient and not followed
 - Resulting in Finance sending forms back and delays during reconciliation
- AP manually enters each purchase into financial system

Purchase Card Program

- Will replace CW-007
- Cardholder purchasing limits & approved vendors are set up in system
 - Reduces paperwork and need for pre-approval
 - Each cardholder reconciles purchases and submits electronically
- AP downloads data into financial system
- City earns incentive rebates based on dollar volume charged

AGENDA BILL #5727 OVERVIEW

Purchase Card Program Creation

- Program created using best Practices from:
 - Government Finance Officers Association
 - Municipal Research Services Center
 - National Association of Purchase Card Providers
- U.S Bank maintains a purchasing agreement with Dept. of Enterprise Services
 - No need for RFP
- Council Approval Required
 - Banking Services contract will be for over \$50,000

AGENDA BILL #5727 OVERVIEW

Purchase Card Program Benefits

- For City
 - Simplified purchasing process for small dollar items
 - Lower transaction processing costs
 - Less time chasing incomplete paperwork/reconciling
 - Less data entry
 - Fewer checks/mailing costs
 - Better controls
 - Purchasing parameters set up in system (approved vendors and dollar limits)
 - Quarterly Incentives/Rebates based on dollar volume of total purchases
- For Cardholder
 - Access to card for all employees
 - Fewer out of pocket costs/petty cash reimbursements
 - Reduced paperwork
- For Vendors
 - Expedited payments
 - Reduced paperwork (issuing invoices)

POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Forward Agenda Bill #5727, A resolution establishing a Purchase Card Program and authorizing the City Manager to enter into an agreement with U.S. Bank for credit card services to Council for Action on the September 14, 2021, Consent Agenda.

REVIEWS TO DATE

- A&F 08/12/2021



Financial Management Report

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Capital Expenditures Overview

Actuals thru June 30, 2021

REVENUE STOPLIGHT CHART

BUDGETED REVENUE BY CATEGORY (NO TRANSFERS)

Actuals thru June 30, 2021

<u>Revenue Description</u>	<u>2020 YTD ACTUAL</u>	<u>2020 % of Budget</u>	<u>2021 Annual BUDGET</u>	<u>2021 ACTUAL</u>	<u>Percent Collected</u>	<u>% Expected to Date</u>
Property Tax - Regular Levy	\$8,857,458	51%	\$17,400,000	\$8,880,226	51%	50%
Sales & Use Tax (operating)	\$2,923,398	20%	\$11,130,000	\$2,854,740	26%	33%
Sales & Use Tax (construction) (#301)	\$1,036,931	259%	\$800,000	\$921,332	115%	33%
Criminal Justice-Sales Tax & State Shared Rev	\$241,717	31%	\$659,100	\$316,036	48%	33%
Leasehold Excise Tax	\$1,036	0%	\$2,000,000	\$591,698	30%	25%
Emergency Medical Svcs Levy	\$136,189	26%	\$551,864	\$109,376	20%	25%
Parking Tax (#102)	\$2,027,778	20%	\$6,944,600	\$1,900,355	27%	42%
Motor Vehicle Tax - City Streets (#102)	\$162,161	26%	\$555,063	\$175,234	32%	33%
Hotel/Motel Special Revenue Tax (#107)	\$252,389	14%	\$754,990	\$237,193	31%	33%
Real Estate Excise Tax - #1 & #2 (#301)	\$277,762	40%	\$700,000	\$398,707	57%	42%
Subtotal: Taxes			\$41,495,617	\$16,384,897	39%	41%
Permits & Plan Review (building, electrical, etc.)	\$1,282,711	75%	\$1,609,090	\$1,394,979	87%	50%
Engineering Plan Review	\$327,320	100%	\$430,526	\$319,385	74%	50%
Business Licenses	\$351,312	94%	\$500,000	\$322,850	65%	50%
Parks Programs	\$90,865	14%	\$716,250	\$181,502	25%	50%
Franchise Fees (#001 & #404)	\$391,147	57%	\$775,460	\$312,610	40%	41%
Valley Rdg./N. SeaTac Turf Field Fees (#301)	\$152,275	48%	\$480,000	\$288,399	60%	50%
GMA Traffic Impact Fees (#307)	\$535,643	306%	\$175,000	\$692,300	396%	50%
Stormwater Fees (#403)	\$2,030,039	51%	\$3,871,550	\$1,824,384	47%	50%
Long Term Leases (CH & YMCA)	\$181,841	31%	\$376,000	\$241,254	64%	50%
Subtotal: Permits and Services			\$8,933,876	\$5,577,663	62%	49%
Parks Capital Grants	\$0	0%	\$1,092,257	\$281,792	26%	
Transportation Capital Grants	\$855,272	26%	\$4,961,000	\$63,910	1%	
SWM Capital Grants	\$32,791	3%	\$1,225,000	\$23,342	2%	
Subtotal: Capital Grants			\$7,278,257	\$369,044	5%	
Investment Interest	\$593,017	106%	\$444,940	\$490,390	110%	50%
Other Revenues (NO Transfers)	\$16,294,097	92%	\$5,242,258	\$7,789,717	149%	50%
TOTAL REVENUES	\$37,568,719	50%	\$63,394,948	\$30,611,711	48%	43%

LEGEND:



Green = Annual Performance is within (or better than) expectations set in the budget



Yellow = Annual performance indicates this may become an area of concern in the future



Red = Annual Performance in this area is a cause for concern

REVENUE STOPLIGHT CHART

Notes

Property Taxes: Property taxes are due in April and October. See Revenue Charts for more details.

State Collected Tax Revenues: There is a two-month lag in the collection and remittance of certain revenues collected by the State. For example, sales tax remitted to the city in May and June is for business activities that occurred in March and April respectively. Revenues impacted by this delay are Sales Tax, Criminal Justice Sales Tax, Motor Vehicle Tax and Hotel/Motel Tax.

Four month benchmark is 33%

Sales & Use Operating: Sales tax revenues are 5% below 2020. See Sales Tax report for more details.

Sales & Use Construction: The Port of Seattle provided an updated construction vendor list in November 2020. The list has assisted us in properly identifying construction sales tax for allocation to the 301 Fund. That, coupled with increased construction at the airport, has greatly increased the revenue identified for the 301 fund. See sales tax report for more details.

Quarterly benchmark is 25%

Leasehold Taxes: These taxes are remitted to the State quarterly. Payments are recorded in June, September, December and March. When comparing to 2020, the pandemic impact was significant. Collections are 8% below the same time period for 2019. This could be due to construction at the Airport.

Emergency Medical Services Levy: In 2020 PSRFA requested the City have a contract with King County for direct payments. This agreement requires PSRFA to provide us with reports to submit to King County before payments are remitted. The PSRFA has recently upgraded their financial system and are struggling to get that information to us. Therefore, this revenue stream is significantly behind where it should be at this time of year.

Five month benchmark is 42%

Parking Taxes: Parking tax is based on the number of transactions that occur and not on occupancy or the value of service provided. There is a one month lag on collection of parking tax. Parking Tax is down 6.2% from 2020 and 50% from 2019. See Revenue Charts for more details.

Real Estate Excise Tax: Real estate sales in the city have returned to "normal" after 2020's slump and two high performing years (2018 & 2019). Average sales for the first half of 2021 were \$16.6M compared to \$9.7M for the same time period in 2010 and \$28.2M in 2019.

Permits & Services

Permits & Plan Review: Collected Permit revenues are at 87% of the budget due to an increase in general construction permits from the anticipated building code change, the Polaris and NW Kidney Tennnant Improvements, and Port of Seattle ILA Permit payments which are made in the first quarter of the year.

Business Licenses: Fees are collected by the State and remitted regularly. Business License renewals are based on the timing of the businesses state license renewal.

Parks Programs: Includes revenues from classes, sports, senior, teen, and afterschool programs as well as facility rentals. These revenues remained low in the first half of the year due to the states phased reopening plan.

Franchise Fees: The collection of Franchise Fees vary from monthly to quarterly, depending on the contract.

GMA Traffic Impact Fees: Traffic impact fees are dependent upon the amount and type of development within the City. The Inland Group Project Impact fee payment is reflected in the first half of 2021.

Stormwater Fees: Fees are collected by King County with Property taxes.

REVENUE STOPLIGHT CHART

Grants

Parks Capital Grants: Includes grants for Riverton Heights Park, Des Moines Creek, and Lighting Upgrades.

Transportation Capital Grants: Includes grants for 34th Ave S Safe Routes To School & State TIB, 200th Pathway TIB, and Int'l Blvd Safety.

SWM Grants: Includes Des Moines Creek Land and KC Flood Reduction Projects.

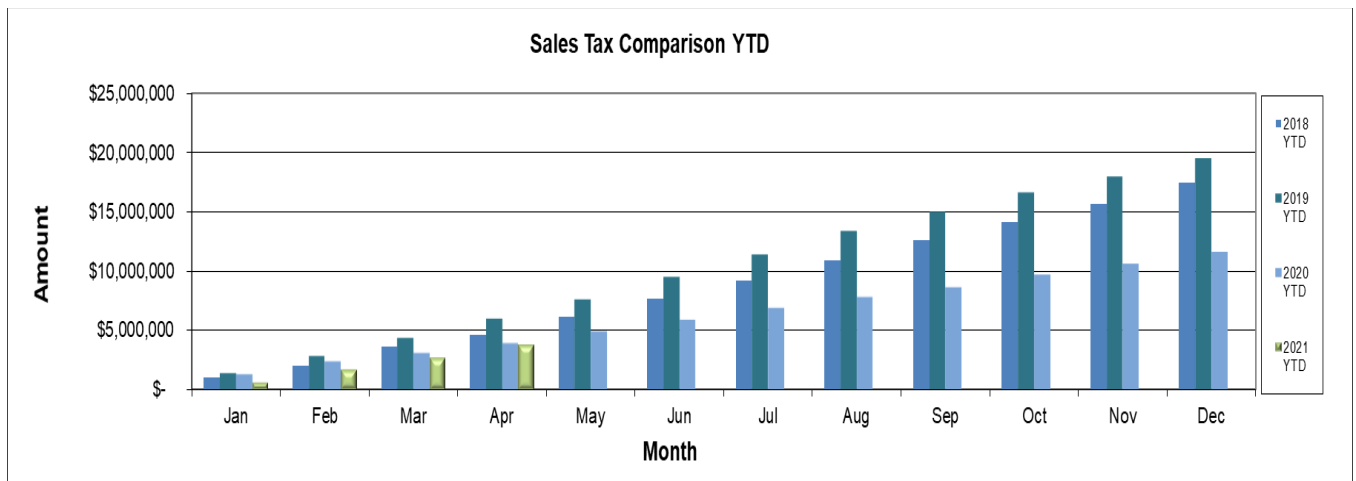
Investment Interest: New investments in 2021 have yielded higher returns.

Other Revenues: Other revenues account for non-capital grant funding, State shared revenues, 501 equipment charges, Court revenue and fines, the Sale of Property and other Miscellaneous revenue.

Sales Tax

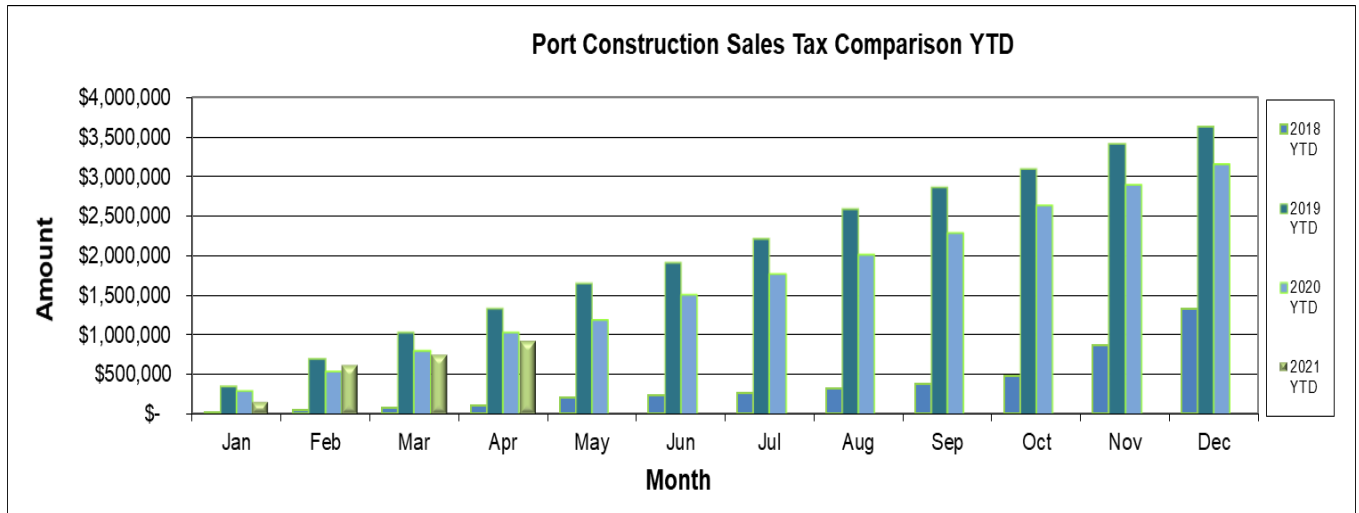
When analyzing monthly sales tax receipts, there are two items of note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue (DOR) on a monthly basis. However, small businesses only have to remit quarterly or annually; this can create anomalies when comparing the same month between different years. Second, there is a two-month lag from the time sales tax is collected to the time it is distributed to the City.

The chart below reflects total sales tax paid to the City, both operational and Port construction sales tax. Sales tax receipts for April 2021 were 4.7% below those from the same period of time in 2020 and are down 37.5% from 2019. When comparing the budget estimate to actual, collections are still 1.3% lower than expected for the period. Operational sales tax is receipted into the General Fund, while Port construction sales tax is receipted into the Municipal Capital Improvement Program Fund and pays for general capital improvements.

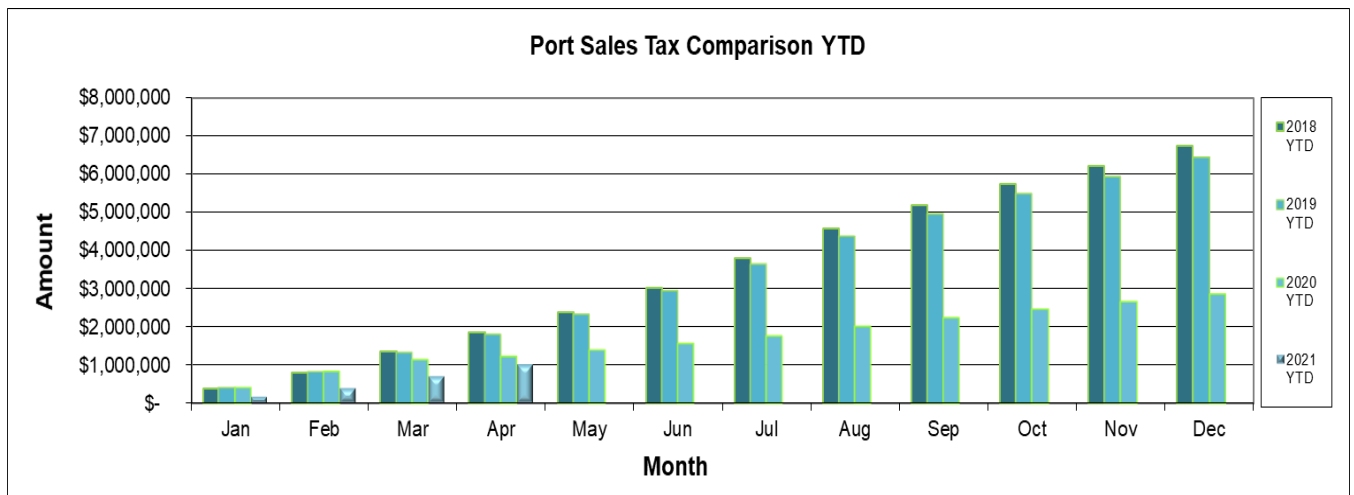


Construction sales tax is considered a one-time revenue because once the project is complete the revenue is gone. In 2003, the City decided to dedicate construction sales tax from Port of Seattle projects to fund capital improvements around the city. In November of 2018, the Port provided the city a list of construction vendors to assist us with accurately identify the payers of the tax. This resulted in a significant increase in revenue to the fund and now the Port provides a list to us each year. It is important to note, prior to 2018 the tax was deposited into the general fund.

Construction sales tax receipts for the first 4 months of 2021 were down 11% from 2020 and 31% from 2019. The Port currently has 11 open solicitations for major construction and estimates for 12 more solicitations for remainder of 2021. The estimated value of each of these solicitations is between \$300,000 and \$15M. So, while construction sales tax is down this is a good indicator that the fund will continue to benefit from construction at the Airport.



The chart below tracks the sales tax attributed to retail trade specifically at the airport. 2019 saw declining revenue from the previous year due to construction within the airport that continued into 2021. With the pandemic essentially shutting down air travel the decline in revenue from airport retail sales was significant and have not yet returned to pre-pandemic levels, although they do appear to be on the rise. Revenue is down 17% from 2020 and 44% from 2019. With the opening of the new North Satellite location, we hope to see sales tax revenue continue to increase.



Sales Tax by Sector

Comparing sales tax data by sector allows for better understanding of where the City's revenues are coming from, and therefore, track trends that may impact various sectors differently. Comparing monthly data year over year provides a better insight into business sector performance, controlling for seasonal cycles in sales as well as occasional adjustments.

In analyzing all sectors operating within the City of SeaTac for the past five years the top five sectors are:

- Retail Trade;
- Accommodations & Food Services;
- Construction;
- Transportation/Warehousing/Utilities, and
- Finance/Insurance/Real Estate.

Other sectors Operating within the City include:

- Services,
- Manufacturing;
- Wholesale Trade;
- Arts/Entertainment/Recreation;
- Administration/Support/Waste Management;
- Information; and
- Public Administration.

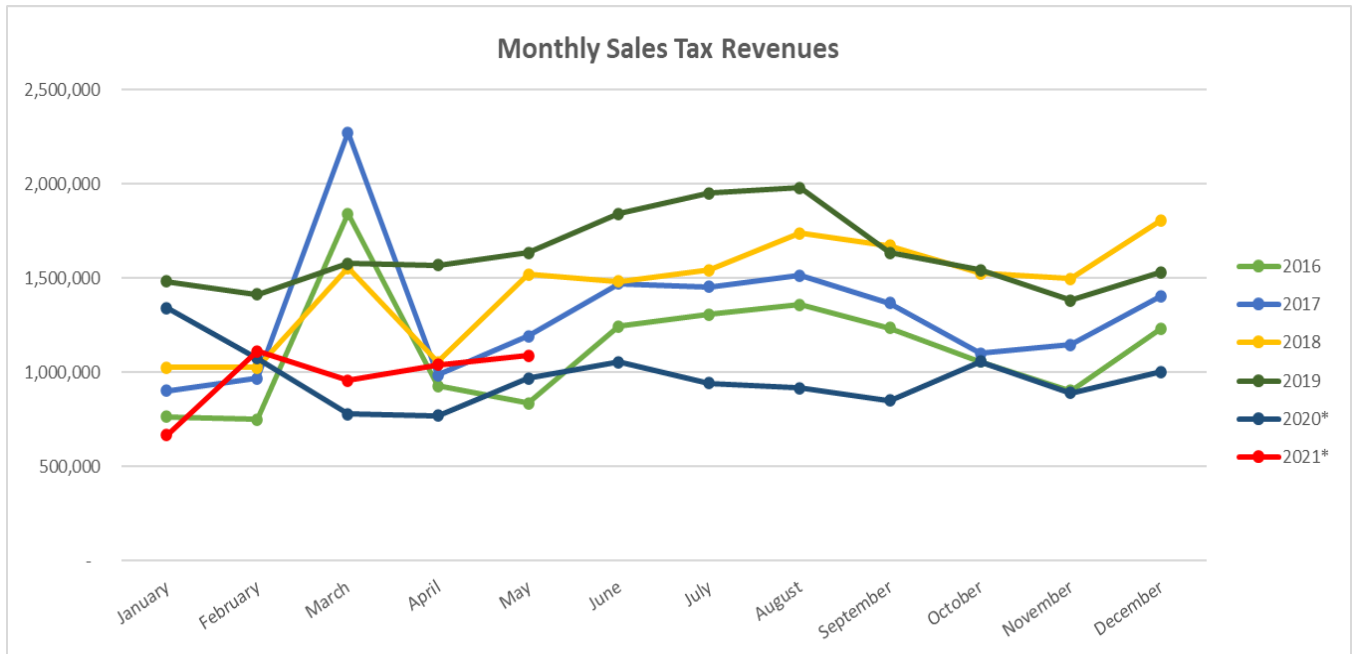
The following table illustrates the **March** performance of the 5 top sectors compared to all other sectors over the last four years. As the state started to shut down due to the Coronavirus Public Health Emergency in 2020, sales tax collections dropped 50%. In 2021, the recovery is slowly materializing. **Accommodations & Food Services** increased **197.7%** over 2020, still only half of 2019 levels. **Finance/Insurance/Real Estate** rose **171.4%** (still down 38% from 2019), and **Transportation** increased **105.1%** from the previous year, down 21% from 2019. **Retail** increased **34.7%** and **Construction** declined **40.4%**. All Other sectors rose **22.1%**. **March** saw an increase of **23.2%** compared to **2020** which saw a **50.7%** decrease overall and a **39%** decrease from **2019**.

	March					
	2016	2017	2018	2019	2020	2021
Retail Trade	\$ 166,606	\$ 210,849	\$ 132,236	\$ 139,000	\$ 84,266	\$ 113,519
\$ Change		\$ 44,242	\$ (78,613)	\$ 6,764	\$ (54,734)	\$ 29,253
% Change		26.6%	-37.3%	5.1%	-39.4%	34.7%
% of Total		9.3%	8.5%	8.8%	10.8%	11.9%
Accommodation & Food Services	\$ 468,155	\$ 564,792	\$ 302,614	\$ 317,251	\$ 52,051	\$ 154,951
\$ Change		\$ 96,636	\$ (262,177)	\$ 14,637	\$ (265,200)	\$ 102,900
% Change		20.6%	-46.4%	4.8%	-83.6%	197.7%
% of Total		24.9%	19.5%	20.1%	6.7%	16.2%
Construction	\$ 228,527	\$ 464,666	\$ 408,331	\$ 521,172	\$ 378,396	\$ 225,668
\$ Change		\$ 236,139	\$ (56,335)	\$ 112,841	\$ (142,776)	\$ (152,728)
% Change		103.3%	-12.1%	27.6%	-27.4%	-40.4%
% of Total		20.5%	26.3%	33.1%	48.7%	23.6%
Transportation/Warehousing/Utilities	\$ 309,183	\$ 380,175	\$ 294,847	\$ 243,480	\$ 93,886	\$ 192,543
\$ Change		\$ 70,992	\$ (85,328)	\$ (51,366)	\$ (149,594)	\$ 98,657
% Change		23.0%	-22.4%	-17.4%	-61.4%	105.1%
% of Total		16.7%	19.0%	15.4%	12.1%	20.1%
Finance/Insurance/Real Estate	\$ 413,019	\$ 345,073	\$ 184,876	\$ 189,371	\$ 43,531	\$ 118,150
\$ Change		\$ (67,945)	\$ (160,197)	\$ 4,494	\$ (145,839)	\$ 74,619
% Change		-16.5%	-46.4%	2.4%	-77.0%	171.4%
% of Total		15.2%	11.9%	12.0%	5.6%	12.3%
All Others	\$ 255,398	\$ 305,999	\$ 232,221	\$ 165,913	\$ 125,257	\$ 152,960
\$ Change		\$ 50,602	\$ (73,779)	\$ (66,308)	\$ (40,656)	\$ 27,703
% Change		19.8%	-24.1%	-28.6%	-24.5%	22.1%
% of Total		13.5%	14.9%	10.5%	16.1%	16.0%
Total	\$ 1,840,888	\$ 2,271,554	\$ 1,555,125	\$ 1,576,188	\$ 777,389	\$ 957,791
\$ Change		\$ 430,666	\$ (716,429)	\$ 21,063	\$ (798,799)	\$ 180,402
% Change		23.4%	-31.5%	1.4%	-50.7%	23.2%

April month over month saw an increase of **35.3%** from the previous year (**50%** decrease from **2019**). **Transportation** saw the greatest increase of **262.2%**, as the Air Transportation group continued to recover from the Covid-19 impacts to travel however, Transportation is still 41% below pre-Covid levels for the same period. **Finance/Insurance/Real Estate** increased **181.7%** (**23%** below **2019**) and **Accommodation & Food Services** increased **40.0%** (**41.1%** below **2019**). **Retail** rose **20.8%** while **Construction** fell **28.7%**. The **All Other** category is the second category to outperform 2019 with a **165.1%** increase from **2020** and an increase of **\$309** from **2019** (the first was Construction in February by \$57,046).

	April					
	2016	2017	2018	2019	2020	2021
Retail Trade	\$ 80,619	\$ 88,158	\$ 115,587	\$ 126,463	\$ 73,107	\$ 88,300
\$ Change		\$ 7,540	\$ 27,429	\$ 10,875	\$ (53,355)	\$ 15,193
% Change		9.4%	31.1%	9.4%	-42.2%	20.8%
% of Total		9.0%	11.0%	8.1%	9.5%	8.5%
Accommodation & Food Services	\$ 234,362	\$ 276,444	\$ 271,266	\$ 301,122	\$ 126,680	\$ 177,299
\$ Change		\$ 42,082	\$ (5,178)	\$ 29,856	\$ (174,442)	\$ 50,619
% Change		18.0%	-1.9%	11.0%	-57.9%	40.0%
% of Total		28.1%	25.8%	19.2%	16.5%	17.0%
Construction	\$ 92,073	\$ 129,071	\$ 136,209	\$ 540,018	\$ 407,816	\$ 290,785
\$ Change		\$ 36,998	\$ 7,138	\$ 403,809	\$ (132,202)	\$ (117,031)
% Change		40.2%	5.5%	296.5%	-24.5%	-28.7%
% of Total		13.1%	12.9%	34.4%	53.1%	28.0%
Transportation/Warehousing/Utilities	\$ 167,405	\$ 192,459	\$ 210,874	\$ 253,223	\$ 49,567	\$ 179,527
\$ Change		\$ 25,054	\$ 18,415	\$ 42,348	\$ (203,656)	\$ 129,960
% Change		15.0%	9.6%	20.1%	-80.4%	262.2%
% of Total		19.5%	20.0%	16.1%	6.4%	17.3%
Finance/Insurance/Real Estate	\$ 197,035	\$ 167,886	\$ 183,736	\$ 190,605	\$ 52,024	\$ 146,535
\$ Change		\$ (29,150)	\$ 15,850	\$ 6,869	\$ (138,581)	\$ 94,511
% Change		-14.8%	9.4%	3.7%	-72.7%	181.7%
% of Total		17.1%	17.4%	12.2%	6.8%	14.1%
All Others	\$ 156,537	\$ 130,450	\$ 135,572	\$ 157,148	\$ 59,395	\$ 157,457
\$ Change		\$ (26,088)	\$ 5,122	\$ 21,576	\$ (97,752)	\$ 98,062
% Change		-16.7%	3.9%	15.9%	-62.2%	165.1%
% of Total		13.3%	12.9%	10.0%	7.7%	15.1%
Total	\$ 928,032	\$ 984,468	\$ 1,053,245	\$ 1,568,578	\$ 768,590	\$ 1,039,903
\$ Change		\$ 56,436	\$ 68,777	\$ 515,333	\$ (799,988)	\$ 271,313
% Change		6.1%	7.0%	48.9%	-51.0%	35.3%

The chart below shows SeaTac’s monthly sales tax revenues through **May 2021** compared to the five prior years.



March is historically SeaTac’s largest grossing month for sales tax receipts. Historically, March is the month construction picks up after the winter months. In 2019 the spike flattened due to the pandemic and was up and down for the year, ending on an upward swing similar to prior years. 2021 started with the first two months swinging significantly. March, while slightly down from February, is trending positive and we hope the trend will continue as the year progresses.

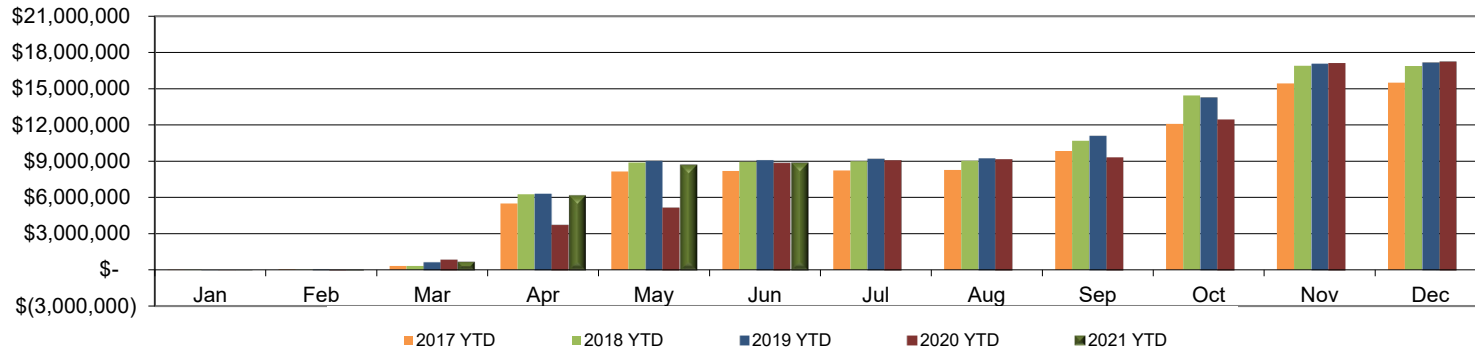
REVENUE CHARTS

**City of SeaTac
Year to Year Revenue Comparison**

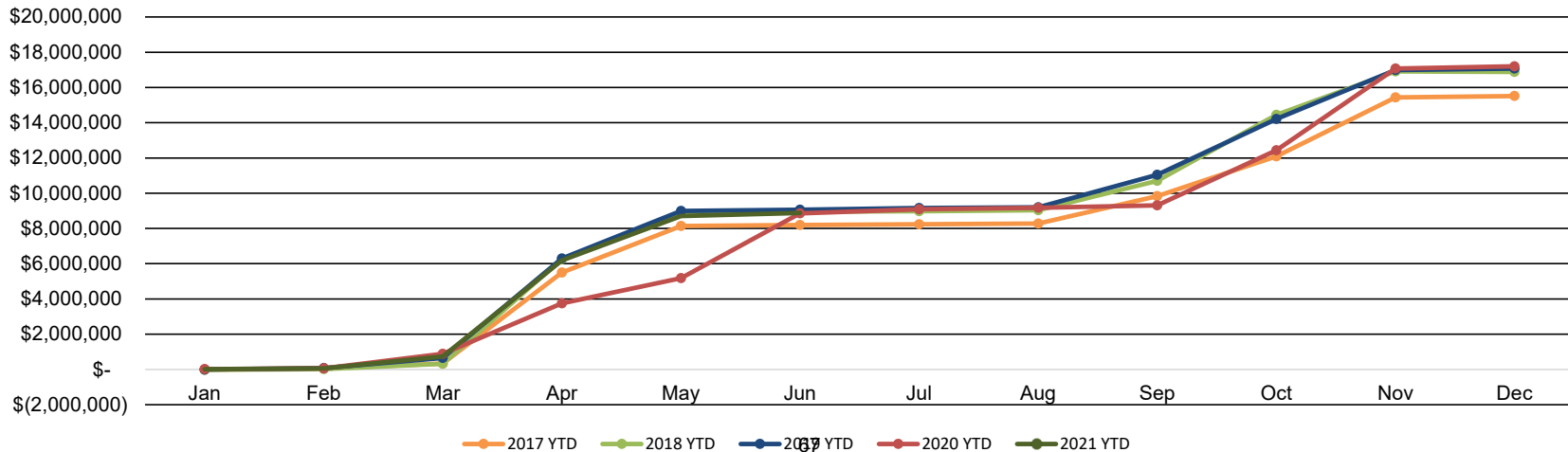
Property Taxes

Month	2017	2017 YTD	2018	2018 YTD	2019	2019 YTD	2020	2020 YTD	2021	2021 YTD	Variance YTD
Jan	\$ (11,008)	\$ (11,008)	\$ (19,741)	\$ (19,741)	\$ (3,347)	\$ (3,347)	\$ 16,551	\$ 16,551	\$ 14,507	\$ 14,507	\$ (2,045)
Feb	\$ 66,113	\$ 55,106	\$ 33,789	\$ 14,048	\$ 71,988	\$ 68,641	\$ 40,881	\$ 57,433	\$ 44,723	\$ 59,230	\$ 1,797
Mar	\$ 275,653	\$ 330,758	\$ 309,901	\$ 323,949	\$ 580,717	\$ 649,358	\$ 825,799	\$ 883,232	\$ 671,760	\$ 730,989	\$ (152,243)
Apr	\$ 5,171,967	\$ 5,502,726	\$ 5,933,349	\$ 6,257,298	\$ 5,640,002	\$ 6,289,360	\$ 2,871,481	\$ 3,754,713	\$ 5,457,073	\$ 6,188,062	\$ 2,433,349
May	\$ 2,633,783	\$ 8,136,508	\$ 2,635,257	\$ 8,892,555	\$ 2,705,570	\$ 8,994,930	\$ 1,428,855	\$ 5,183,568	\$ 2,519,398	\$ 8,707,459	\$ 3,523,892
Jun	\$ 52,621	\$ 8,189,129	\$ 55,700	\$ 8,948,255	\$ 61,213	\$ 9,056,143	\$ 3,673,890	\$ 8,857,458	\$ 172,767	\$ 8,880,226	\$ 22,769
Jul	\$ 43,410	\$ 8,232,539	\$ 36,458	\$ 8,984,713	\$ 102,221	\$ 9,158,364	\$ 226,347	\$ 9,083,804			
Aug	\$ 42,777	\$ 8,275,316	\$ 44,907	\$ 9,029,620	\$ 37,753	\$ 9,196,117	\$ 84,716	\$ 9,168,520			
Sep	\$ 1,563,240	\$ 9,838,556	\$ 1,669,464	\$ 10,699,084	\$ 1,850,454	\$ 11,046,571	\$ 138,749	\$ 9,307,269			
Oct	\$ 2,247,105	\$ 12,085,662	\$ 3,740,442	\$ 14,439,526	\$ 3,168,330	\$ 14,214,902	\$ 3,130,160	\$ 12,437,429			
Nov	\$ 3,351,718	\$ 15,437,379	\$ 2,471,043	\$ 16,910,569	\$ 2,781,257	\$ 16,996,158	\$ 4,635,692	\$ 17,073,121			
Dec	\$ 73,670	\$ 15,511,050	\$ (36,759)	\$ 16,873,811	\$ 77,918	\$ 17,074,076	\$ 127,906	\$ 17,201,027			
Total	\$ 15,511,050	\$ 14,800,000	\$ 16,873,811	\$ 15,800,000	\$ 17,074,076	\$ 16,900,000	\$ 17,201,027	\$ 17,300,000	\$ 8,880,226	\$ 17,400,000	51.0%

Property Tax Comparisons YTD



Property Tax Comparisons YTD



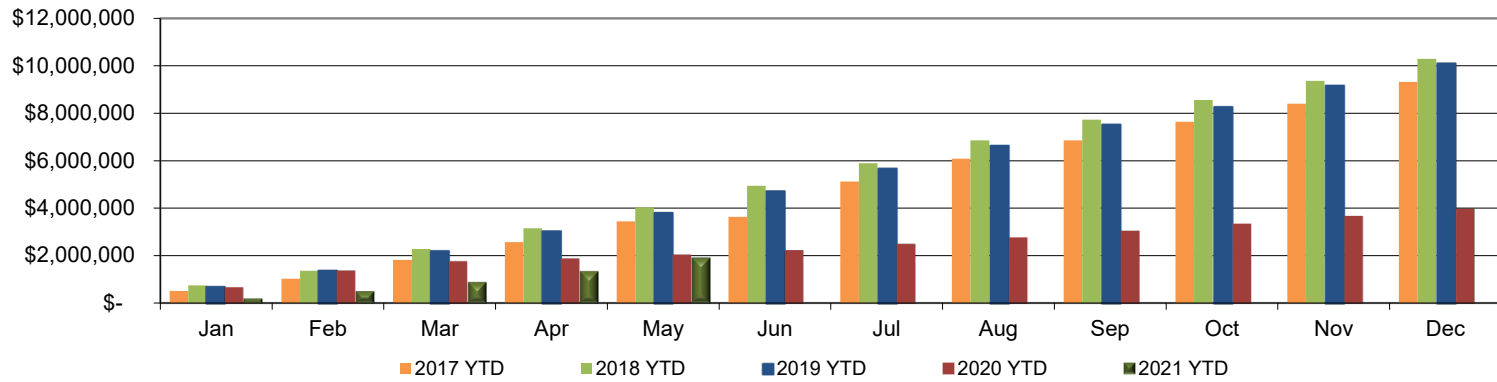
City of SeaTac
Year to Year Revenue Comparison

Parking Tax

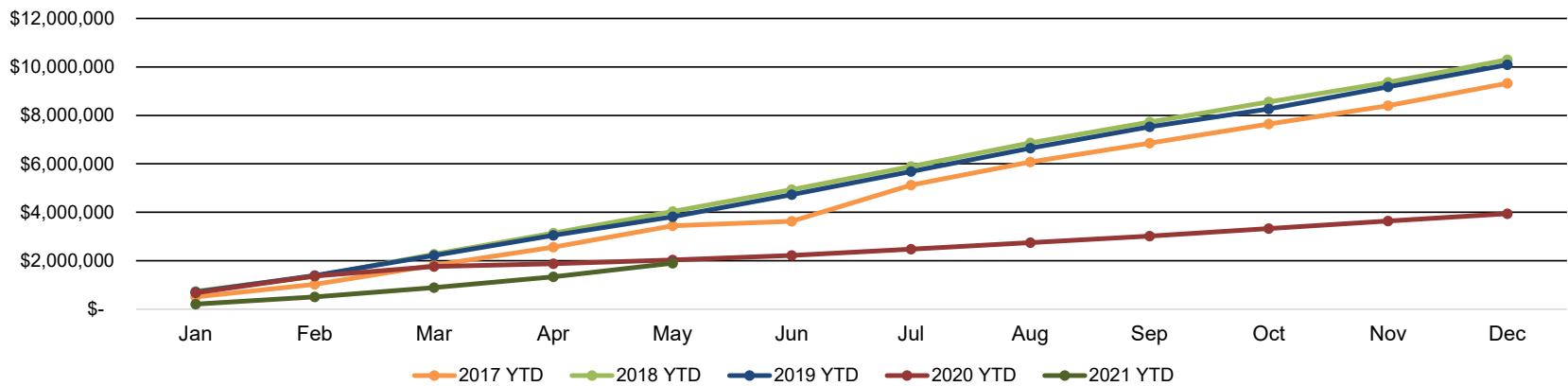
(There is a 30 day delay for remittance to City)

Month	2017	2017 YTD	2018	2018 YTD	2019	2019 YTD	2020	2020 YTD	2021	2021 YTD	Variance YTD
Jan	\$ 508,304	\$ 508,304	\$ 741,564	\$ 741,564	\$ 709,223	\$ 709,223	\$ 675,925	\$ 675,925	\$ 211,221	\$ 211,221	\$ (464,703)
Feb	\$ 515,429	\$ 1,023,733	\$ 618,026	\$ 1,359,591	\$ 679,698	\$ 1,388,921	\$ 691,803	\$ 1,367,728	\$ 298,641	\$ 509,862	\$ (857,866)
Mar	\$ 793,520	\$ 1,817,253	\$ 915,630	\$ 2,275,221	\$ 831,438	\$ 2,220,359	\$ 398,970	\$ 1,766,698	\$ 377,044	\$ 886,906	\$ (879,792)
Apr	\$ 747,252	\$ 2,564,505	\$ 870,641	\$ 3,145,863	\$ 830,660	\$ 3,051,018	\$ 112,981	\$ 1,879,679	\$ 453,841	\$ 1,340,747	\$ (538,932)
May	\$ 881,535	\$ 3,446,040	\$ 884,907	\$ 4,030,770	\$ 767,290	\$ 3,818,308	\$ 148,099	\$ 2,027,778	\$ 559,608	\$ 1,900,355	\$ (127,423)
Jun	\$ 186,849	\$ 3,632,889	\$ 906,526	\$ 4,937,296	\$ 906,546	\$ 4,724,854	\$ 196,226	\$ 2,224,004			
Jul	\$ 1,485,522	\$ 5,118,411	\$ 953,957	\$ 5,891,253	\$ 957,916	\$ 5,682,770	\$ 252,432	\$ 2,476,436			
Aug	\$ 962,517	\$ 6,080,928	\$ 970,217	\$ 6,861,470	\$ 960,816	\$ 6,643,586	\$ 275,119	\$ 2,751,554			
Sep	\$ 777,243	\$ 6,858,171	\$ 869,216	\$ 7,730,686	\$ 885,914	\$ 7,529,500	\$ 271,247	\$ 3,022,801			
Oct	\$ 787,877	\$ 7,646,048	\$ 824,174	\$ 8,554,860	\$ 735,478	\$ 8,264,978	\$ 303,736	\$ 3,326,537			
Nov	\$ 756,741	\$ 8,402,789	\$ 809,901	\$ 9,364,761	\$ 909,725	\$ 9,174,703	\$ 313,207	\$ 3,639,744			
Dec	\$ 921,748	\$ 9,324,537	\$ 933,198	\$ 10,297,959	\$ 914,403	\$ 10,089,106	\$ 302,754	\$ 3,942,498			
Total	\$ 9,324,537	Budget \$ 7,956,704	\$ 10,297,959	Budget \$ 8,100,266	\$ 10,089,106	Budget \$ 9,728,321	\$ 3,942,498	Budget \$ 9,922,887	\$ 1,900,355	Budget \$ 6,944,600	% of Budget 27.4%

Parking Tax Comparison YTD










Parking Tax Comparison YTD



EXPENDITURE STOPLIGHT CHART




BUDGETED EXPENSE BY COST CATEGORY (NO TRANSFERS)

Actuals thru June 30, 2021

<u>Expense Category</u>	<u>2020 YTD ACTUAL</u>	<u>2020 % of Budget</u>	<u>2021 Annual BUDGET</u>	<u>2021 YTD ACTUAL</u>	<u>Percent Expended</u>	
PERSONNEL	\$ 8,447,147	46%	\$ 18,672,979	\$ 9,054,611	48%	
SUPPLIES	\$ 320,834	31%	\$ 792,310	\$ 236,167	30%	
SERVICES & CHARGES	\$ 3,910,749	28%	\$ 11,376,208	\$ 4,358,772	38%	
POLICE- Base ILA with King Co.	\$ -	*	\$ 13,019,955	\$ 4,707,564	36%	
FIRE/EMS- ILA with Kent RFA	\$ 2,664,957	26%	\$ 10,807,645	\$ -	*	
CAPITAL	\$ 10,014,022	27%	\$ 27,464,003	\$ 2,352,922	9%	
DEBT SERVICE	\$ -		\$ -	\$ -		
TOTAL EXPENSES	\$ 25,357,709	27%	\$ 82,133,100	\$ 20,710,036	25%	

YTD Target: 50%

LEGEND:

-  Green = Annual Performance is within (or better than) expectations set in the budget
-  Yellow = Annual performance indicates this may become an area of concern in the future
-  Red = Annual Performance in this area is a cause for concern

Notes

General Fund: 54% of the total General Fund budget is allocated to contracted police and fire services; 30% is allocated to Personnel.

Fire Contract: Billed quarterly. The PSRFA has recently upgraded their financial system and are struggling to get invoices prepared. Therefore, this billings are significantly behind where they should be at this time of year.

Police Contract: King County "trues up" 2020 contract costs in the first half of 2021. A reconciling bill is provided in May for the first 5 months and any credit or additional cost owed from the previous year. The 2020 credit was \$663,467. The invoice was recieved in late June and processed in July.

Capital: See Capital Expense report for project status.

Debt Service: SCORE Bond debt service for 2021 will be paid from SCORE contract revenue.

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending June 30, 2021

GENERAL FUND		2020 YTD	2020 %	2021 YTD		YTD %		
Department	Section	Actual	Expended	2021 Budget	2021 Q2 Actual	Expended	Expended	
City Council		\$ 199,988	48%	\$ 301,632	\$ 56,636	\$ 169,947	56%	●
Municipal Court		\$ 426,602	46%	\$ 932,556	\$ 217,168	\$ 447,135	48%	●
City Manager		\$ 691,727	39%	\$ 1,711,674	\$ 366,204	\$ 730,536	43%	●
Finance & Systems		\$ 1,052,242	44%	\$ 2,333,391	\$ 517,744	\$ 1,219,818	52%	●
City Clerk		\$ 234,596	33%	\$ 604,194	\$ 181,518	\$ 306,212	51%	●
Legal Services		\$ 598,021	47%	\$ 2,186,652	\$ 352,946	\$ 1,128,667	52%	●
Human Resources		\$ 765,609	50%	\$ 682,671	\$ 133,125	\$ 278,689	41%	●
Police Services		\$ 522,732	4%	\$ 12,728,990	\$ 4,565,057	\$ 4,804,668	38%	●
Fire Services		\$ 2,692,028	26%	\$ 10,895,064	\$ 11,810	\$ 24,782	0%	●
	<i>Central Facilities</i>	\$ 426,548	39%	\$ 2,511,378	\$ 1,752,794	\$ 1,978,880	79%	●
	<i>Fire Stations (2)</i>	\$ 11,334	32%	\$ 33,965	\$ 15,134	\$ 22,518	66%	●
	<i>Maintenance Facility</i>	\$ 24,938	29%	\$ 83,090	\$ 20,565	\$ 38,047	46%	●
	<i>Human Services</i>	\$ 198,894	24%	\$ 791,809	\$ 155,457	\$ 324,368	41%	●
	<i>Park, CP & Admin</i>	\$ 213,584	52%	\$ 339,652	\$ 89,000	\$ 185,849	55%	●
	<i>Rec. Svcs/Classes</i>	\$ 451,767	44%	\$ 1,005,960	\$ 220,766	\$ 492,232	49%	●
	<i>Rec Prgms/Camps</i>	\$ 288,182	32%	\$ 825,156	\$ 119,421	\$ 230,481	28%	●
	<i>Comm Ctr. Facility</i>	\$ 57,279	22%	\$ 166,060	\$ 38,988	\$ 60,975	37%	●
	<i>Parks Maintenance</i>	\$ 862,385	40%	\$ 2,306,722	\$ 550,037	\$ 1,052,087	46%	●
Parks, Comm Progs., & Svcs Total		\$ 2,534,911	37%	\$ 8,063,792	\$ 2,962,162	\$ 4,385,437	54%	●
	<i>Planning</i>	\$ 485,911	47%	\$ 1,378,764	\$ 246,950	\$ 495,861	36%	●
	<i>Permitting</i>	\$ 691,093	40%	\$ 649,298	\$ 117,677	\$ 407,919	63%	●
	<i>Building</i>	\$ 2,326	4%	\$ 1,231,763	\$ 410,320	\$ 645,761	52%	●
	<i>Engineering Review</i>	\$ 88,016	61%	\$ 25,000	\$ -	\$ -	0%	●
	<i>Economic Dvlpmnt</i>	\$ 131,960	40%	\$ 263,492	\$ 22,453	\$ 95,077	36%	●
	<i>Code Compliance</i>	\$ 1,399,306	42%	\$ 382,234	\$ 54,523	\$ 114,271	30%	●
Comm & Econ Devm't Total		\$ 11,117,761	26%	\$ 3,930,551	\$ 851,922	\$ 1,758,889	45%	●
TOTAL GENERAL FUND		\$ 7,231,599	17%	\$ 44,371,167	\$ 10,216,292	\$ 15,254,782	34%	●

YTD Target: 50%

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending June 30, 2021

Summary of Expenditures by Department and Division Notes:

City Council - City memberships are paid at the beginning of the year.

Finance & Systems - Over due to employee benefit changes.

Legal Services - Liability insurance exceeded the budgeted amount. If the department cannot absorb the increase a budget amendment will be brought forward.

Fire Contract: The PSRFA has recently upgraded their financial system and are struggling to get invoices prepared. Therefore, this billings are significantly behind where they should be at this time of year.

Parks, Comm Progs. & Svcs/Central Facilities - Transfer for new City Hall HVAC is complete and included

Parks, Comm Progs. & Svcs/Fire Stations - The practice of posting reimbursements from the PSRFA to the expense line has discontinued. This will better show the true cost of maintenance for the buildings.

Parks, Comm Progs. & Svcs/Park, CP & Admin - Over due to employee benefit changes.

Comm & Econ Devm't/Permitting - Over due to transfer to 301 fund for new Permitting Software.

Comm & Econ Devm't/Building - Outside contracted professional services close to agreement amount.

General Notes - Medical benefit increases came in higher than budgeted. Many departments are able to absorb this increase but some are not. A budget amendment will be presented in September that includes these increases.

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending June 30, 2021

OTHER FUNDS	Fund Name	2020 YTD Actual	2020 % Expended	2021 Budget	2021 Q2 Actual	YTD Actual Expended	YTD % Expended	
	Permit Parking Program	\$ 91,613	43%	\$ 208,615	\$ 54,098	\$ 101,282	49%	●
	Roadway Maintenance	\$ 813,097	30%	\$ 2,359,263	\$ 503,093	\$ 912,352	39%	●
	Engineering Review	\$ 155,761	47%	\$ 326,836	\$ 84,378	\$ 170,132	52%	●
	Admin & Engineering	\$ 383,174	29%	\$ 1,206,069	\$ 2,997	\$ 21,085	2%	●
	Capital and Transfers	\$ 3,679,401	57%	\$ 2,774,700	\$ 498,792	\$ 933,708	34%	●
102	Street Fund Total	\$ 5,359,211	47%	\$ 7,349,883	\$ 1,476,673	\$ 2,799,467	38%	●
105	Port of Seattle ILA	\$ 15,712	1%	\$ 1,919,285	\$ 566,338	\$ 566,338	30%	●
106	Transit Planning	\$ 340,112	47%	\$ 565,517	\$ 221,359	\$ 405,415	72%	●
107	Hotel/Motel Tax	\$ 507,199	37%	\$ 679,064	\$ 63,657	\$ 163,055	24%	●
108	Building Mgmt	\$ 220,091	23%	\$ 266,007	\$ 60,977	\$ 124,066	47%	●
111	DC Basin ILA	\$ 10,116	5%	\$ 478,360	\$ 3,050	\$ 3,562	1%	●
207	2019 Score Bonds	\$ -	0%	\$ -	\$ -	\$ -	0%	●
301	Municipal CIP	\$ 1,640,562	28%	\$ 6,524,887	\$ 100,214	\$ 396,290	6%	●
306	Facility Construction CIP	\$ 9,712	39%	\$ -	\$ -	\$ -	0%	●
307	Transportation CIP	\$ 6,417,139	31%	\$ 13,412,116	\$ 965,570	\$ 1,956,177	15%	●
308	Light Rail Area CIP	\$ -	0%	\$ -	\$ -	\$ -	0%	●
	SWM Admin	\$ 174,864	35%	\$ 516,813	\$ 125,885	\$ 220,543	43%	●
	SWM Compliance	\$ 182,659	32%	\$ 546,835	\$ 67,970	\$ 198,479	36%	●
	SWM Maintenance	\$ 443,936	44%	\$ 1,060,746	\$ 227,682	\$ 469,037	44%	●
	SWM Engineering Rev	\$ 138,430	49%	\$ 287,711	\$ 74,693	\$ 156,445	54%	●
	Capital and Transfers	\$ 269,438	9%	\$ 4,062,584	\$ 508,355	\$ 645,683	16%	●
403	Surface Wtr Mgt Total	\$ 1,554,327	19%	\$ 8,674,689	\$ 1,004,584	\$ 1,690,187	19%	●
404	Solid Waste & Env	\$ 77,499	26%	\$ 285,830	\$ 69,690	\$ 119,059	42%	●
501	Equipment Rental	\$ 185,501	10%	\$ 1,963,129	\$ 190,219	\$ 300,457	15%	●
SUBTOTAL OTHER FUNDS		\$ 16,337,182	29%	\$ 42,118,767	\$ 4,722,331	\$ 8,524,071	20%	●
ALL FUNDS - EXPENDITURE TOTAL		\$ 27,454,943	28%	\$ 86,489,934	\$ 14,938,624	\$ 23,778,853	27%	●

YTD Target: 50%

City of SeaTac
Summary of Expenditures by Fund and Department
Expense to Budget Comparison
Month Ending June 30, 2021

Summary of Expenditures by Fund Notes:

102 & 403 Engineering Reveiw - Over due to increase in employee benefits and overtime.

106 Transit Planning Fund - Over due to increase in employee benefits, unbudgeted memberships, and Sound Transit Permit Revenue (budgeted for first two quarters) received and disbursed to General Fund in the first half of the year.

SALARY
AND
BENEFITS
EXPENDITURES

City of SeaTac
Salaries & Benefits
Summary by Fund and Department
Month Ending June 30, 2021

GENERAL FUND		2020 YTD	2020 %		2021 Q2	YTD Actual	YTD %
Department	Section	Actual	Expended	2021 Budget	Actual	Expended	Expended
City Council		\$ 108,835	49%	\$ 221,466	\$ 55,368	\$ 110,736	50%
Municipal Court		\$ 400,710	48%	\$ 850,100	\$ 199,455	\$ 416,250	49%
City Manager	City Manager Admin	\$ 463,835	51%	\$ 967,833	\$ 202,712	\$ 445,790	46%
	Communications	\$ 127,267	31%	\$ 417,467	\$ 88,155	\$ 173,416	42%
		\$ 591,102	45%	\$ 1,385,300	\$ 290,866	\$ 619,205	45%
Finance & Systems Total	Finance Administration	\$ 425,552	47%	\$ 930,228	\$ 233,871	\$ 470,527	51%
	Systems/GIS	\$ 372,189	45%	\$ 773,179	\$ 203,233	\$ 404,812	52%
		\$ 797,741	46%	\$ 1,703,407	\$ 437,104	\$ 875,338	51%
City Clerk		\$ 208,568	48%	\$ 427,529	\$ 97,719	\$ 211,954	50%
Legal Services		\$ 580,584	51%	\$ 1,222,002	\$ 287,732	\$ 581,951	48%
Human Resources		\$ 247,087	52%	\$ 490,622	\$ 126,208	\$ 253,701	52%
Police Services		\$ 51,226	49%	\$ 103,412	\$ 28,190	\$ 56,643	55%
Fire Service - LEOFF 1		\$ 13,139	13%	\$ 61,660	\$ 6,571	\$ 14,370	23%
Parks, CS & Facilities Total	Central Facilities	\$ 262,316	45%	\$ 573,541	\$ 147,776	\$ 298,379	52%
	Human Services	\$ 58,160	50%	\$ 117,224	\$ 31,325	\$ 62,620	53%
	Park & Rec Admin.	\$ 163,525	50%	\$ 330,535	\$ 87,892	\$ 181,770	55%
	Rec. Svcs/Events	\$ 501,893	40%	\$ 1,222,745	\$ 258,921	\$ 515,101	42%
	Comm Center Operations	\$ 93,501	49%	\$ 185,404	\$ 39,776	\$ 78,377	42%
	Parks Maintenance	\$ 643,504	43%	\$ 1,499,248	\$ 365,744	\$ 747,084	50%
		\$ 1,722,898	44%	\$ 3,928,697	\$ 931,434	\$ 1,883,331	48%
Comm & Econ Devm't Total	Planning	\$ 473,028	48%	\$ 966,811	\$ 241,195	\$ 486,338	50%
	Building	\$ 642,047	48%	\$ 896,194	\$ 221,979	\$ 440,611	49%
	Permitting	\$ -	0%	\$ 467,798	\$ 116,892	\$ 223,939	48%
	Econ Development	\$ 37,625	47%	\$ 83,605	\$ 21,285	\$ 42,272	51%
	Code Compliance	\$ 119,337	48%	\$ 316,992	\$ 50,414	\$ 105,717	33%
		\$ 1,272,037	48%	\$ 2,731,400	\$ 651,765	\$ 1,298,877	48%
TOTAL GENERAL FUND		\$ 5,993,928	46%	\$ 13,125,595	\$ 3,112,413	\$ 6,322,358	48%

OTHER FUNDS		2020 YTD	2020 %		2021 Q2	YTD Actual	YTD %
Fund Name		Actual	Expended	2021 Budget	Actual	Expended	Expended
Permit Parking Program		\$ 80,434	48%	\$ 177,104	\$ 46,089	\$ 91,289	52%
Roadway Maintenance		\$ 319,302	33%	\$ 972,504	\$ 209,122	\$ 424,606	44%
Engineering Review		\$ 151,906	49%	\$ 318,746	\$ 83,038	\$ 168,024	53%
Admin & Engineering		\$ 297,106	34%	\$ 668,230	\$ 155,972	\$ 325,342	49%
102 Street Fund Total		\$ 848,747	37%	\$ 2,136,584	\$ 494,221	\$ 1,009,262	47%
106 Transit Planning Fund		\$ 119,248	55%	\$ 260,781	\$ 67,857	\$ 135,753	52%
107 Hotel/Motel Tax Fund		\$ 94,791	42%	\$ 247,664	\$ 63,289	\$ 126,094	51%
307 Transportation CIP Fund		\$ 544,734	52%	\$ 1,061,605	\$ 300,259	\$ 583,086	55%
SWM Admin	SWM Admin	\$ 145,986	49%	\$ 354,463	\$ 93,561	\$ 186,128	53%
	SWM Compliance	\$ 136,428	47%	\$ 295,260	\$ 31,632	\$ 110,939	38%
	SWM Maintenance	\$ 315,734	49%	\$ 667,712	\$ 139,349	\$ 294,243	44%
	SWM Engineering Rev	\$ 137,868	49%	\$ 286,351	\$ 74,282	\$ 155,768	54%
403 Surface Water Mgt.		\$ 736,016	49%	\$ 1,603,786	\$ 338,824	\$ 747,077	47%
404 Solid Waste & Environ		\$ 50,884	48%	\$ 113,715	\$ 29,618	\$ 60,660	53%
501 Equipment Rental Fund		\$ 58,798	49%	\$ 123,249	\$ 32,595	\$ 70,320	57%
SUBTOTAL OTHER FUNDS		\$ 2,453,219	44%	\$ 5,547,384	\$ 1,326,663	\$ 2,732,253	49%
ALL FUNDS TOTAL		\$ 8,447,147	46%	\$ 18,672,979	\$ 4,439,076	\$ 9,054,611	48%

YTD Target: 50%

Notes

EMPLOYMENT BY DEPARTMENT
(Number of Full-Time Equivalent Positions - FTE's)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>By Dept. Headcount (Fund)</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>
City Council	0.42	0.42	0.42	0.42	0.42	0.42
Municipal Court	6.50	5.55	5.55	6.55	6.55	6.55
City Manager	5.50	8.00	9.00	9.00	8.20	8.20
Finance & Systems	12.50	14.00	14.00	13.00	13.00	13.00
City Clerk	4.00	0.00	0.00	0.00	0.00	0.00
Legal/City Clerk	8.00	11.00	11.00	11.38	11.38	11.38
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00
Police-City Staff	1.00	1.00	1.00	1.00	1.00	1.00
Parks, Community Programs and Services	36.57	37.50	40.16	45.42	44.81	44.81
Public Works (102,106,307,403,404,501)	34.75	34.00	41.50	41.50	40.30	40.30
Community & Economic Devel. (001,107)	19.50	20.75	21.75	21.75	21.75	21.75
Total City Full-Time Equivalent Positions	131.7	135.2	147.4	153.0	150.4	150.4

Police Interlocal Dedicated FTE's	41.00	46.0	48.0	48.0	49.0	49.0
Fire Interlocal Dedicated FTE's	44.00	44.0	44.0	44.0	45.0	45.0
Equivalent Service FTE's	216.7	225.2	239.4	245.0	244.4	244.4

2021

<i>City Manager</i>	-0.8	Transfer Administrative Assistant II to PW
<i>Legal</i>	0.38	Add Part-Time Prosecutor (1/26/2021)
<i>Public Works</i>	0.8	Transfer Administrative Assistant II from City Manager Office
	-1	Remove Civil Engineer II
	-1	Remove Limited Term Sound Transit CAD Technician

2020

<i>Court</i>	1	Add Judicial Support Specialist
<i>City Manager</i>	1	Added Digital Communications Strategist
	-1	Remove Out-going City Manager
<i>Finance & Systems</i>	-1	Limited-Term GIS Analyst (Expired 12/31/2019)
<i>Legal</i>	0.38	Added Rule 9 Intern (Expired 12/31/2020)
<i>Parks</i>	1	Added Facilities Maintenance Worker 1
	1	Added Parks Operations Worker
	3.26	Correction of Part-Time/Seasonal Worker Hours
<i>Community & Economic Development</i>	1	Add Economic Development Manager
	-1	Eliminate Code Compliance Supervisor

2019

<i>City Manager</i>	1	Add Deputy City Manager
	1	Transfer Administrative Assistant II Graphic Design Specialist From CED
	-1	Transfer Real Property Management Specialist to Finance
<i>Finance & Systems</i>	1	Add GIS Analyst
	-1	Transfer Real Property Management Specialist to PW
<i>Parks</i>	2	Add Parks Operations Workers
	1	Add Parks Operations Supervisor
	0.34	Reduce Recreation Services
<i>Public Works (102,106,307,403,404,501)</i>	1	Add PW Maintenance & Operations Manager
	1	Transfer Real Property Management Specialist from Finance
	1	Add Limited-Term Engineering Review Technician
	2	Add Sound Transit Civil Engineer II
	2	Add Parking Officers
	0.5	Add Senior Planner
<i>Comm. Econ. Dev. (001,107)</i>	1	Add Code Compliance Supervisor
	-0.75	Transfer Administrative Assistant II Graphic Design Specialist to CMO
	0.75	Add Senior Planner

CAPITAL EXPENDITURES

**City of SeaTac
Capital Funds Summary
Capital Expenditures by Type
Month Ending June 30, 2021**

Type	Description	Annual BUDGET	YTD Actual Expended	YTD % Expended	Project Status
61 Land					
Fund 301	Des Moines Creek Park Land Acq	3,210,000	-	0%	
Fund 403	Des Moines Creek Park Land Acq	2,200,000	-	0%	
	Land Total	5,410,000	-	0%	
62 Buildings					
Fund 301	City Hall Impr. Inc HVAC Update	1,517,793	12,984	1%	Complete Q4 2021
	Maintenance & Storage Facilities	8,000	-	0%	In Planning
	SeaTac Community Center Improvements	55,810	49,853	89%	Lighting Upgrades, Complete Q2 2021
	Buildings Total	1,581,603	62,837	4%	
63 Other Improvements					
Fund 102	200th Street & I-5 Access Ramp	7,000	-	0%	Awaiting Final Payment;
	2021 Overlay-DMMD & 188th & Military and	1,286,700	176,031	14%	In Construction
Fund 111	DMC Capital Replacement	280,710	-	0%	No project scheduled
Fund 301	Digital Signage at NSP Community Center	87,500	-	0%	In Planning
	Sunset Park Tennis Court Renovation	121,000	-	0%	On Hold
	Riverton Heights Phase II	331,019	291,416	88%	Complete
	Angle Lake Fishing Pier/Boat Ramp	200,000	-	0%	In Planning
	North SeaTac Soccer Fields	-	(3,200)		* Awaiting Final Payment;
	North SeaTac Park Lighting Upgrades	25,600	-	0%	In Construction Q3
	Botanical Garden Entry Sign	120,000	-	0%	In Planning
	Bicycle Pump Track	309,250	-	0%	Grant Awarded, In Planning
Fund 307	Military Rd. S & S 152nd St	500,000	43,189	9%	Substantial Completion; Project Closeout Q3 2021
	Des Moines Memorial Dr & S 200th Intersection				Construction is at Substantial Completion; Working on
		100,000	82,122	82%	Project Closeout
	34th Ave S from S 160th to S 166th	5,784,949	88,661	2%	In Bid Advertisement, Open Q3
	S 200th ST Ped & Bicycle Shared Pathway	2,363,544	883,273	37%	In Construction
	Airport Light Rail Station Pedestrian Imp	2,068,112	85,299	4%	In Design
	S 200th St Corridor Study	112,631	55,461	49%	In Design
	Military Rd S/S 164th Intersection Study	97,075	72,916	75%	In Design
	International Blvd Safety Plan	1,141,464	35,600	3%	In Design
	Intelligent Transportation Systems	100,000	-	0%	On Hold until Q3 2021
	Pedestrian Crossing Program	50,000	-	0%	In Planning
Fund 403	Small Works Drainage Project	430,362	159,710	37%	In Construction
	Miller Creek Realignment & Daylight Project	985,000	-	0%	Burien Led Project, Design Complete, ILA Executed
	2021 Annual Overlay Project	421,000	-	0%	No project scheduled
	S 166th St Drainage Improvements	10,000	-	0%	On Hold until 2022
	S 180th St Flood Reduction	929,174	103,284	11%	In Construction Q3
	S 221st St Drainage Improvements	703,899	24,404	3%	In Construction Q3
	S 200th St Path Water Quality Retrofit	202,500	161,810	80%	In Construction
	Other Improvements Total	18,768,489	2,259,976	12%	
64 Equipment					
Fund 301	Council Chambers A/V Equipment	-	-		* Complete
	Permitting Software Update	181,500	-	0%	

Type	Description	Annual BUDGET	YTD Actual Expended	YTD % Expended	Project Status
	Computer Software	7,312	-	0%	
	Computer Hardware	76,140	-	0%	
	SeaTV Upgrade	13,072	-	0%	
	Tools and Equipment-Parks	32,015	-	0%	Community Center Weight Equip
Fund 501	Vehicles/Heavy Equipment	1,051,972	30,109	3%	Awaiting delivery, Some items on hold
	Tools and Equipment	341,900	-	0%	
	Equipment Total	1,703,911	30,109	2%	
	Total Capital Expenditures	27,464,003	2,352,922	9%	

Definition of Project Status Terms:

Planning = Includes scoping, budgeting, and grant funding work

Design = Includes both design and ROW acquisition work

Bid Advertisement = Advertising for construction bids

Construction = Construction contract awarded and project being built

Substantial Completion = Construction complete to a point where facility can be used or occupied

Final Acceptance = Owner acceptance of the facility/project as complete



MEMORANDUM

To: Administration and Finance Committee
Through: Carl Cole, City Manager
From: Gwen Pilo, Finance and Systems Director
Date: August 12, 2021
Re: July 31, 2021, Investment Report

Attached is the July 2021 Investment Compliance Report and Portfolio Analysis.

At the end of July, the City had \$ 85,638,395 in cash and short-term investments and \$42,407,190 in long-term investments at market value. Total cash on hand and investments equals \$128,045,585 a decrease of \$1,858,312 over the previous month. The City made the Jan-May Police Contract payment and had a bond called in July.

Interest received during the month was \$42,506 from bonds and \$9,566 from the LGIP. The LGIP had a higher-than-expected earning yield in July due to a class action settlement. These proceeds were distributed to participants. Interest paid to date is \$538,778.

The 2-year Treasury note, and 90-day T-bill continued to remain below 1% in June and the LGIP remains below 1% as well.

SeaTac Yield is .89% compared to the LGIP at .18%.

Total Funds City of SeaTac

Compliance Report

7/31/2021

Maturity Constraints	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits
Under 30 days	10%	67%	85,638,395	YES
Under 1 year	25%	70%	89,667,367	YES
Under 5 years	100%	100%	128,045,585	YES
Maximum Weighted Average Maturity	3.00		2.59	
Maximum Single Maturity	5 Years		4.65	

Asset Allocation Diversification	Maximum Policy Allocation	Issuer Constraint	Percentage of Portfolio	Market Value	% within Limits
U.S. Treasury Obligations	100%		1.56%	\$ 1,997,422	
U.S. Agencies Primary	100%		29.09%	\$ 37,244,989	YES
FHLB		30%	10.26%	\$ 13,142,156	YES
FNMA		30%	11.72%	\$ 15,004,758	
FHLMC		30%	3.98%	\$ 5,100,897	
FFCB		30%	3.12%	\$ 3,997,178	
U.S. Agencies Secondary	20%		1.61%	\$ 2,062,354	YES
FICO		10%	0.00%	\$ -	YES
FARMER MAC		10%	1.61%	\$ 2,062,354	
Municipal Debt Obligations	20%	5%	0.86%	\$ 1,102,425	
Certificates of Deposits	15%	5%		\$ -	
Bank Time Deposits & Savings Accounts	50%		17.55%	\$ 22,467,296	YES
Local Government Investment Pool	100%		49.33%	\$ 63,171,099	YES
Total			100%	\$ 128,045,585	

Portfolio by Fund Allocation	Par Amount	Total Adjusted Cost	Market Value	YTD Unrealized Gain/Loss	Yield to Maturity
City of SeaTac - Core Investment Funds	\$ 41,453,000	\$ 42,273,015	\$ 42,407,190	\$ 134,175	0.89%
City of SeaTac Liquidity Funds	\$ 85,638,395	\$ 85,638,395	\$ 85,638,395		
TOTAL PORTFOLIO	\$ 127,091,395	\$ 127,911,410	\$ 128,045,585	\$ 134,175	

Cit of SeaTac
Investment Portfolio Analysis
As of 7/31/2021

Month	SeaTac Portfolio			Monthly Interest Earned (Accrual Basis)			LGIP			Monthly Interest Earned (Accrual Basis)			Year to Date Interest Earned		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
January	9,982,295	27,840,000	27,541,000	-	-	182,914	53,078,146	74,764,550	73,134,760	112,341	109,251	8,662	112,341	109,251	191,576
February	9,982,295	27,840,000	34,503,000	15,750	-	38,233	53,190,487	74,864,270	63,142,122	102,542	99,719	7,362	230,633	208,970	237,171
March	9,982,295	28,340,000	43,503,000	-	55,960	68,750	53,293,029	72,945,782	63,148,231	114,197	81,513	6,109	344,829	346,443	312,030
April	9,982,295	28,340,000	43,503,000	16,943	32,500	39,500	73,407,225	72,994,572	63,153,525	119,790	48,789	5,294	481,562	427,732	356,824
May	9,982,295	30,340,000	43,503,000	-	16,250	20,000	73,527,016	73,025,430	63,157,624	155,829	30,858	4,099	637,392	474,840	380,923
June	9,982,295	30,340,000	43,453,000	-	118,350	101,875	73,682,845	73,047,623	63,161,553	151,763	22,193	3,910	789,154	615,383	486,707
July	9,982,295	30,230,000	41,453,000	-	-	42,506	73,834,608	73,066,893	63,171,099	155,365	19,270	9,566	944,519	634,652	538,778
August	7,802,000	30,203,000		15,750	-		73,989,973	73,082,792		143,750	15,899		1,104,020	650,551	538,778
September	7,802,000	30,203,000		-	42,500		74,133,723	73,095,153		134,326	12,361		1,238,346	705,413	538,778
October	7,802,000	30,203,000		16,493	39,500		84,268,050	73,106,728		147,118	11,575		1,401,957	756,488	538,778
November	7,802,000	30,203,000		-	16,250		84,415,168	73,116,409		126,876	9,681		1,528,833	782,418	538,778
December	27,840,000	30,203,000		46,250	112,328		74,655,299	73,126,098		113,256	9,689		1,688,338	904,436	538,778
Average	10,743,672	29,523,750	39,637,000	9,265	36,136	70,540	70,456,297	73,353,025	64,581,273	131,429	39,233	6,429	n/a	n/a	n/a

Month	2 Yr T-Note			90 Day T Bill			SeaTac Current Yield			LGIP Interest Rate			2021 Budget		
	2 Yr T-Note 2019	2 Yr T-Note 2020	2 Yr T-Note 2021	90 Day TBill 2019	90 Day TBill 2020	90 Day TBill 2021	City 2019	City 2020	City 2021	LGIP 2019	LGIP 2020	LGIP 2021	Actual	Budget	% of Budget
January	2.45%	1.33%	0.11%	2.41%	1.52%	0.06%	1.54%	1.86%	1.24%	2.49%	1.72%	0.14%	191,576	35,412	541%
February	2.52%	0.86%	0.14%	2.45%	1.25%	0.04%	1.54%	1.85%	0.96%	2.52%	1.68%	0.14%	45,595	35,412	129%
March	2.27%	0.23%	0.16%	2.40%	0.11%	0.03%	1.53%	1.58%	0.88%	2.53%	1.30%	0.11%	74,859	35,412	211%
April	2.27%	0.20%	0.16%	2.43%	0.09%	0.01%	1.53%	1.58%	0.88%	2.54%	0.81%	0.10%	44,794	35,412	126%
May	1.95%	0.16%	0.14%	2.35%	0.14%	0.01%	1.52%	1.52%	0.88%	2.50%	0.50%	0.08%	24,099	35,412	68%
June	1.75%	0.16%	0.25%	2.12%	0.16%	0.05%	1.52%	1.49%	0.88%	2.51%	0.37%	0.08%	105,785	35,412	299%
July	1.85%	0.11%	0.19%	2.08%	0.09%	0.06%	1.52%	1.39%	0.89%	2.48%	0.31%	0.18%	52,071	35,412	147%
August	1.50%	0.14%		1.99%	0.11%		1.59%	1.39%		2.29%	0.26%		-	35,412	0%
September	1.63%	0.13%		1.88%	0.10%		1.60%	1.39%		2.20%	0.21%		-	35,412	0%
October	1.52%	0.14%		1.54%	0.09%		1.59%	1.39%		2.06%	0.19%		-	35,411	0%
November	1.61%	0.16%		1.59%	0.08%		1.59%	1.39%		1.83%	0.16%		-	35,411	0%
December	1.58%	0.13%		1.55%	0.09%		1.87%	1.28%		1.77%	0.16%		-	35,411	0%
Average	1.91%	0.31%	0.16%	2.07%	0.32%	0.04%	1.58%	1.51%	0.94%	2.31%	0.64%	0.12%	538,778	424,941	126.79%

**CITY OF SEATAC
INVESTMENT POLICY COMPLIANCE REPORT**

Date of Report 08/12/2021
Period Covered June 30, 2021

Policy Section	Policy Requirement	Compliance	Current Portfolio	Frequency
5.1 Delegation of Authority	Establish written procedures for operations of the investment program	Compliant	Investment procedures are documented	Updated as needed
6.2 Safekeeping	All Securities will be held in Safekeeping	Compliant	US Bank Safekeeping	Monthly
6.3 Internal Controls	Documented in Investment Procedures Manual	Compliant	Section 3. Internal Controls in Procedures Manual	Updated as needed
6.4 External Review	External review of City Investment Policy and Investment Portfolio for compliance and best practices	Compliant	2019 review completed, next review in 2022	Every 3 Years
7.1 Broker/Dealers	<ul style="list-style-type: none"> • Review of Financial Industry Regulatory Authority report on firm and broker • Certification of having read the Policy and receipt of the City's Trading Authorization • or Broker/Dealer list provided by Investment Advisor 	Compliant	Detailed Authorized Broker/Dealer list is on file.	Annual
7.3 Bank Institutions	Only PDPC participating banks	Compliant	U.S. Bank	At Inception
7.4 Competitive Transactions	3 bids for security purchase or sale	Compliant	Call for bids done in February. Broker security offerings are on file in Z:\Finance_Systems\Finance\MonthlyReports_6yrAfterFY\Investments	Monthly
8.0 Authorized Investments	Authorized by WA State Statute RCW 39.58, 39.59, 43.250, 43.84.080	Compliant	See Compliance Report	Monthly
9.0 Investment Parameters Authorized Investments Credit Ratings	Requires AA- or better from Standard & Poor's and Aa3 by Moody's	Compliant	Detailed in Platinum Report on file in Z:\Finance_Systems\Finance\MonthlyReports_6yrAfterFY\Investments	Semi-Annual
9.1 Diversification	Maximums			Monthly
US Treasury Obligations	100%	Compliant	1.51%	
US Agency Primary	100%, 30% per issuer	Compliant	29.70%	
US Agency Secondary Issuance	20%, 10% per issuer	Compliant	1.56%	
Local Government	100%	Compliant	47.88%	

Investment Pool				
Bank Deposits	50%	Compliant	18.5%	
Certificates of Deposits	15%, 5% per issuer	Compliant	0%	
Municipal Bonds	20%, 5% per issuer	Compliant	.84%	
9.2 Investment Maturity	Maximum Weighted Maturity 3 Years Minimum % of Portfolio: Under 30 Days 10% Under 1 Year 25% Under 5 Years 100%	Compliant	2.71 Years	Monthly
9.2 Investment Maturity Maximum Maturity	Maximum Maturity of Individual Issue 5 Years	Compliant	4.73 yrs. 3/23/2026	Monthly
10.0 Reporting Requirements	Annual, Quarterly & Monthly	Compliant	Monthly reports provided to Administration and Finance Committee	Monthly
10.2 Performance Standards	LGIP for earnings rate US Treasury index for total return	Compliant	<u>LGIP</u> 0.08% <u>Investment Core</u> 0.20% <u>Total Portfolio</u> 0.88%	Monthly
10.3 Compliance Report	Quarterly comparison to Investment Policy	Compliant	This Report should be provided quarterly to the Administration and Finance Committee	Quarterly
11.0 Investment Policy Adoption	Annual Review	Compliant	December 2020	Annual
11.0 Investment Policy Adoption	Policy shall be adopted by City Council	Compliant	Last adopted 10-10-2019	Changes Adopted As Needed