



Administration and Finance Committee Minutes

March 9, 2023

4:00 PM

Hybrid meeting

Virtual/Council Chambers

Commence: 4:00 PM

Adjourn: 5:18 PM

Committee Members:	Present	Absent
Deputy Mayor Senayet Negusse, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Councilmember Takele Gobena,	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Councilmember Iris Guzmán	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Other Council Members Present: Peter Kwon

Staff Coordinator: Gwen Pilo, Finance & Systems Director

1. Call to Order	<i>Deputy Mayor Senayet Negusse called the meeting to order at 4:00 PM.</i>
2. Public Comment	<i>None.</i>
3. Review of the Minutes	<p><u> X </u> Recommended for Approval</p> <p><i>A copy of the 01/12/2023 minutes were provided to the committee for review. The committee approved the minutes as presented.</i></p>
4. Council/City Manager Travel Approval	<p><u> X </u> Recommended for Approval</p> <p><i>Executive Assistant Lesa Ellis presented the following items for approval:</i></p> <ol style="list-style-type: none"> 1. <i>Expense for Councilmember Kwon NLC City Summit Lodging: \$1251.55</i> <p><i>The committee voted to approve.</i></p> <ol style="list-style-type: none"> 2. <i>Expense for Councilmember Kwon AWC Action Days Lodging: 88.31 Transportation: \$65.24 Registration: \$200 Total: \$353.55</i>

The committee voted to approve.

3. *Expense for Councilmember Kwon
NLC Congressional City Conference
Transportation: \$686.80
Registration (early bird): \$650.00
Total: \$1336.80*

The committee voted to approve.

4. *Expense for Councilmember Guzmán
NLC Congressional City Conference
Transportation: \$609.41
Registration: \$515.00
Total: \$1124.41*

The committee voted to approve.

5. *Expense for Councilmember Egal
NLC Congressional City Conference
Transportation: \$595.70
Registration: \$650.00
Total: \$1245.70*

The committee voted to approve.

6. *Pre-Approval for Councilmember Cole
ESRI Conference
Lodging: \$2200
Transportation: \$600
Total: \$2800*

The committee voted to approve.

7. *Expense for Councilmember Cole
ESRI Conference
Lodging: \$ 2176.48
Transportation: \$ 587.80
Total: \$ 2764.28*

The committee voted to approve.

8. *Pre-approval for Councilmember Egal
Port of Seattle and Airport Cities
Lodging: \$900
Meals: \$192
Transportation: \$ 1100
Total: \$ 2192*

	<p><i>The committee voted to approve.</i></p> <p>9. <i>Expense for Councilmember Egal Port of Seattle and Airport Cities Lodging: \$832.45 Transportation: \$ 857.81 Total: \$1690.26</i></p> <p><i>The committee voted to approve.</i></p> <p>10. <i>Pre-approval for Councilmember Kwon Port of Seattle and Airport Cities Lodging: \$ 900 Meals: \$ 192 Transportation: \$ 1100 Total: \$2192</i></p> <p><i>The committee voted to approve.</i></p> <p>11. <i>Expense for Councilmember Kwon Port of Seattle and Airport Cities Transportation: \$ 1097.79 Total: \$1097.79</i></p> <p><i>The committee voted to approve.</i></p>
<p>5. Recreation Leader 3 Decision Card/Budget Amendment</p>	<p><u> X </u> Recommendation to Consent Agenda</p> <p>Brian Tomisser, Acting Parks and Recreation Director, presented to the committee a proposal to amend the 2023-2024 budget to allow hiring five Recreation Leader 3 (Rec 3) positions to work with youth, teen, and senior programs. These new positions would be represented part-time positions. The Rec 3 positions would improve recruitment and retention while allowing for program enhancement and expansion. Two of these positions would work at the childcare site at Bow Lake Elementary. Two would work at the after-school Teen Center, and one would work with senior programs. <i>The committee recommended this item for approval and it will be presented on the Consent Agenda at the March 28 Regular Council Meeting</i></p>
<p>6. Human Services Manager Decision Card / Budget Amendment</p>	<p><u> X </u> Recommendation to Consent Agenda</p> <p>Evan Maxim, CED Director, presented a proposal for creating a Human Services Manager position to the committee. This position will manage the Human Services Division and increase the capacity of the City to provide human services to the SeaTac community. It will also allow the City to develop its human services strategy and pursue additional funding (e.g., existing federal or state grants). The committee recommended this item for approval. It will be presented on the Consent Agenda at a future Regular Council Meeting.</p>

<p>7. SeaTac In-Home Childcare Initiative Contract Review - ARPA funded.</p>	<p><u>X</u> Recommendation to Consent Agenda</p> <p>Aleksandr Yeremeyev, Economic Development Manager, presented to the committee a proposal to authorize the City Manager to execute a contract with The Imagine Institute. They will implement the SeaTac Regional FastTrack In-Home Childcare Initiative, funded by the ARPA federal State and Local Fiscal Relief Funds (SLFRF). The plan will include efforts to serve up to 60 SeaTac participants through Imagine U and Shared Services. Program services shall commence on July 1, 2023, and extend through December 31, 2025. The funds are allocated in the City's budget. The committee recommended this item for approval and it will be presented on the Consent Agenda at a future Regular Council Meeting.</p>
<p>8. SeaTac Maintenance Facility Renovations</p>	<p><u>X</u> Recommendation to Consent Agenda</p> <p>Michael Fitzpatrick, Parks Projects and Operations Manager, presented a proposal authorizing the City Manager to enter into an agreement with ARC Architects and amending the 2023-2024 Biennial budget for SeaTac Maintenance Facility Renovations. The request is to increase funding in the amount of \$230,707 to execute a professional services contract with ARC Architects. The budgeted design fee for this project was \$300,000. The budget amendment of \$230,707 will cover the difference between the budgeted design fee and the proposed fee from ARC Architects. The goal of these renovations is to provide a fully functional facility to meet the operational needs of SeaTac for the next 40 years. The committee recommended this item for approval and it will be presented on the Consent Agenda at the March 28 Regular Council Meeting.</p>
<p>9. February Investment Report</p>	<p><u>X</u> Informational Update</p> <p><i>Finance & Systems Director Gwen Pilo presented the February 2023 Portfolio Analysis Report.</i></p>
<p>10. Adjourn</p>	<p><i>Deputy Mayor Senayet Negusse adjourned the meeting at 5:18 PM.</i></p>

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

April 13, 2023

**NLC Congressional City Conference
March 23 – 28, 2023
Washington DC - Peter Kwon, Iris Guzmán, Mohamed Egal**

Peter Kwon	A&F Date 1/12/23 Pre-approval Budgeted amount	A&F Date 3/9/2023	A&F Date 4/13/23
Lodging (6 nights due to NLC Transportation Advocacy Board Meetings)	2000		2269.14
Meals	100		75.00
Transportation	820	686.80	81.37
Registration (early bird)	700	650.00	
Total	\$3,620	\$1336.80	\$2,425.51

Iris Guzmán	A&F Date 1/12/23 Pre-approval Budgeted amount	A&F Date 3/9/2023	A&F Date 4/13/23
Lodging (3 nights, had to adjust trip to fly home at night): \$67.49 airline ticket change fee but saved \$378 on lodging.	2000		1134.57
Meals	100		103.53
Transportation	820	609.41	120.27
Registration (early bird & first- time attendee discount)	700	515.00	
Total	\$3,620	\$1124.41	\$1,358.37

Mohamed Egal	A&F Date 1/23/23 Pre-approval Budgeted amount	A&F Date 3/9/2023	A&F Date 4/13/23
Lodging (4 nights)	2000		1512.76
Meals	100		81.00
Transportation	820	595.70	230.27
Registration	700	650.00	
Total	\$3,620	\$1245.70	\$1,824.03

Senayet Negusse, Chair



City Council Post Trip Report

Required for City paid expenses or reimbursements of \$50 and above

Per the City Council Administrative Policies and Procedures, Section 15, the Trip Report shall be completed and submitted to the Executive Assistant within 15 days for inclusion in the next A&F Committee meeting packet.

Rev. 3/15/22

Filed By: Iris Guzmán

What type of event did you attend?

Training

Conference

Other (specify): [Click here to enter text.](#)

Name of Event:	NLC Congressional City Conference
Purpose:	Learn about how other cities have used their ARPA funding and to speak directly with our federally elected officials.
Location:	Washington D.C.
Date(s) of Event: March	25 - 28
Number of hours attended:	24

Please answer the following questions

What interested you in attending this event?
To learn more about how comparable cities have utilized their America Rescue Plan Act (ARPA) funding and how we compare. Also, to bring issues facing SeaTac directly to our congressman and senators so that we can see movement take place.

Please summarize what you learned and how it benefits the taxpayer:
Cities across the country were able to use ARPA dollars to help small businesses; make their downtown clean and accessible; hired outreach workers to help unhoused folks by linking them to existing agencies and resources; revitalize substandard and uninhabitable homes for families; partnering to create and oversee community centers; infrastructure and rental/eviction prevention assistance to name a few. This is very much in line with how SeaTac is using the funding.
We also met with staffers from Congressman Adam Smith’s, Senators Maria Cantwell’s and Patty Murry’s office to discuss specific priorities for SeaTac. These include funding for the SEA airport pedestrian walkway; support for a training program that would allow folks who work for Uber or Lyft to get paid to go to school to become mechanical

engineers in about 9 months; and working with the FAA on gaining ownership of North SeaTac Park in collaboration with the Port of Seattle.


Would you recommend this opportunity for others? Please summarize why or why not.

Absolutely. This is a great opportunity to learn about different programs, projects and policies comparable cities across the country are using federal relief funding and how they plan to sustain these beyond those dollars. We also got to speak directly to our federal elected officials about our priorities and outlined specific ways they can help.

Other Comments

Click here to enter text.

Please attach copies of any training outlines, lesson plans, or agendas

Signature:	 Click here to enter text.
Date of Signature:	4/3/2023



City Council Post Trip Report

Required for City paid expenses or reimbursements of \$50 and above

Per the City Council Administrative Policies and Procedures, Section 15, the Trip Report shall be completed and submitted to the Executive Assistant within 15 days for inclusion in the next A&F Committee meeting packet.

Rev. 3/15/22

Filed By: Peter Kwon

What type of event did you attend?

- Training**
- Conference**
- Other (specify):** Federal lobbying and advocacy

Name of Event:	NLC Congressional City Conference
Purpose:	Federal advocacy and training
Location:	Washington DC
Date(s) of Event:	March 24-28, 2023
Number of hours attended:	200+

Please answer the following questions

<p>What interested you in attending this event?</p> <p>This event is part of my ongoing work with the NLC Transportation and Infrastructure Committee and the Asian Pacific American Municipal Officials. The primary focus is to meet with various US members of congress and senators and be part of the decision-making process to improve SeaTac. Other goals are to continue collaborative work on FAA related issues and to learn new skills and strategies for good governance.</p>
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<p>Please summarize what you learned and how it benefits the taxpayer:</p> <p>The timing for this event coincided with the federal budgeting process and The City of SeaTac has an application submitted for federal discretionary funds for our Station Area pedestrian improvement project. Working with our federal lobbyists, I've appealed directly to Congressman Adam Smith's office and the offices of Senators Murray and Cantwell to help obtain this funding.</p> <p>The FAA Reauthorization Act is also taking place this year and I am working with NLC on various airport related issues that impacts our communities such as noise, pollution, traffic, greenspace mitigation, and overall representation of small airport cities.</p>
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My work with APAMO focused on reducing API hate, supporting small independent businesses, and increasing community civic engagement and involvement. I was a featured speaker for the annual Celebrate Diversity Award which went to The City of South San Francisco this year.

I've attended various educational and training seminars on topics such as ARPA implementation, preparing cities for electric vehicle charging stations, and federal transportation grants.

All of this work will directly benefit SeaTac and help me continue to improve serving our community.

Would you recommend this opportunity for others? Please summarize why or why not.

I recommend other councilmembers use this opportunity to advocate for our city according to the SeaTac Federal Legislative Proirities, learn, and improve their ability to collaborate and serve on the council.

Other Comments

My complete agenda follows below.

Please attach copies of any training outlines, lesson plans, or agendas

Signature:	Peter Kwon
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Date of Signature:	4/4/2023
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NLC DC Congressional City Conference 3/25/2023 trip report

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3/23 Thursday
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Arrival and hotel check in

=====
3/24 Friday
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Register for event

Board Membership Committee Meeting

The Board Membership Committee works with NLC's membership team on strategies to best grow, engage, and retain members.

Constituency Group Presidents Meeting

The constituency group presidents got together to finalize federal legislative propritries for a collaborative effort.

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3/25 Saturday
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Transportation & Infrastructure Services (TIS) Federal Advocacy Committee Meeting

NLC's Transportation & Infrastructure Services (TIS) Federal Advocacy Committee Meeting will hear from leaders at the U.S. Department of Transportation and engage in roundtable conversation on implementation of the Infrastructure Investment and Jobs Act programs as well as the upcoming FAA reauthorization.

Speakers:

- Brittney Kohler**National League of Cities
- Vanessa Fuentes**City of Austin
- Dan Kealey**City of Burnsville
- Kathryn Thomson**Federal Aviation Administration
- Gabriel Klein**Joint Office of Energy & Transportation
- Victoria Woodards**City of Tacoma
- Kate Kruller**City of Tukwila
- Rebecca Rougier**LIUNA

Asian Pacific American Municipal Officials (APAMO) General Membership Meeting

Speakers:

- Dr. Julie Kang**, Korean American Coalition (KAC)
- Gregg Orton**, National Director of the National Council of Asian Pacific Americans (NCAPA)
- Chiling Tong**, President of the National Asian Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)
- Wonseok Song**, Executive Director at Korean American Grassroots Conference (KAGC)

APAMO Membership Dinner

This was an opportunity to network, get to know the members of APAMO better, and build comraderie.

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3/26 Sunday

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Celebrate Diversity Breakfast: Honoring Excellence in Municipal Multicultural Initiatives

The annual Celebrate Diversity Breakfast hosted by NLC's Constituency Groups features an exciting program of speakers and the conferral of the City Cultural Diversity Awards. Please purchase tickets in advance.

Personal note: I was a guest speaker at this breakfast

NLC Aviation Policy Roundtable

NLC's Aviation Roundtable is an opportunity for cities, towns and villages to provide insight on their aviation priorities as NLC advocates for the reauthorization of the Federal Aviation Administration's programs as well as seeks new programs to address the inclusion of drones and advanced air mobility into the airspace above our nation's communities. If you have any questions about this Roundtable, please reach out to Brittney Kohler, NLC Legislative Director for Transportation and Infrastructure, at kohler@nlc.org.

Speakers:

Emily TranterN.O.I.S.E.

Greg CotaAirports Council International-NA

Personal notes: This event overlapped the diversity breakfast so I was able to catch the last 20 minutes.

Opening General Session

Speakers:

Mark ShepherdCity of Clearfield

Clarence AnthonyNational League of Cities

Gene SperlingThe White House

Scott WoodsBroadband.Money

Ras BarakaCity of Newark

David SanderCity of Rancho Cordova

Victoria WoodardsCity of Tacoma

Cindy DyballaCity of Takoma Park

Kate KrullerCity of Tukwila

Emily LarsonCity of Duluth

ARPA Implementation in Your Community: Sharing Successes and Lessons Learned (SMALL CITIES AND RURAL COMMUNITIES)

Across the country, cities, towns and villages are hard at work leveraging resources from the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) to strengthen post-pandemic recovery. In this peer-to-peer networking session, participants will have the opportunity to share with peers about their experiences with these federal programs. The session will include small group conversations with colleagues from across the country from similar-sized communities. It's an important opportunity to hear and learn from colleagues about the best and most equitable uses of these funds ahead of the December 31, 2024, deadline to obligate the dollars. The session also will include updates on the SLFRF Final Rule from the U.S. Treasury Department.

Speakers:

Michael GleesonNational League of Cities
Michael WallaceNational League of Cities
Angelina PanettieriNational League of Cities
Jed HerrmannUS Treasury Department
Jacob LeibenluftU.S. Department of the Treasury
Laura McDanielU.S. Department of the Treasury

Charging Forward: Preparing for Electric Vehicle Charging in Your City

Electric vehicles (EVs) are coming off the manufacturing line and onto your roads so every community will want to start thinking about how EV charging fits in their community. To advance EV charging plans quickly, cities can now apply for new Community and Fueling Infrastructure (CFI) federal grants to continue to add charging options to public spaces, downtowns and neighborhoods. These grants can give cities, towns and villages a jump start to distribute charging and a plan to keep up with the demand. This session with the Joint Office of Energy and Transportation will help participants learn the ins and outs of securing federal and state funding for EV charging and how to be ahead of the curve in your city's transportation energy planning.

Speakers:

Brittney KohlerNational League of Cities
Jim BrooksNational League of Cities
Kyle FunkNational League of Cities
Eric PlapperStantec
Patrick ArnessEdison Electric Institute
Pete GouldBoundary Stone Partners
Colleen QuinneMobility Advisors
Steven Koernerbp pulse
Richard EzikeJoint Office of Energy & Transportation
Abigail Campbell SingerSiemens

Afternoon General Session

Speakers:

Amy GoodwinCharleston
Chokwe LumumbaCity of Jackson
Hugh ClementsU.S. Department of Justice
Clarence AnthonyNational League of Cities
Muriel BowserCity of Washington, D.C.
Shalanda YoungOffice of Management and Budget
Juan PerezPOLITICO
Brandon ScottCity of Baltimore

Steve Benjamin Benjamin Law Firm, LLC
Victoria Woodards City of Tacoma
John Giles City of Mesa
John Podesta The White House
Sharon Weston Broome City of Baton Rouge

Local Indigenous Leaders Membership Meeting

Personal note: This is a brand-new constituency group officially created at this NLC conference and I was invited as a guest to share some of my experiences and insight as the President of APAMO.

Association of Washington Cities Reception [Washington State Attendees Only]

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3/27 Monday

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General Session

Speakers:

Thomas Vilsack U.S. Department of Agriculture
Clarence Anthony National League of Cities
Marcia Fudge U.S. Department of HUD
Corey Woods City of Tempe
Angela Brooks American Planning Association
Brent Parton DOL
Victoria Woodards City of Tacoma
Ron Nirenberg City of San Antonio
Rahul Gupta Office of National Drug Control Policy
Stephanie Piko City of Centennial
Stephen Williams City of Huntington
Sharon Weston Broome City of Baton Rouge
Barbara Humpton Siemens Corporation

Western Municipal Association

Ready to Rebuild: Meeting Your City's Transportation Goals with Federal Grants

Cities of all sizes can access new federal transportation grants over the next four years to improve their communities' connections. In this workshop, the U.S. Department of Transportation and city peers will showcase available transportation grants and early success stories from these new programs like the “Safe Streets and Roads for All” grants. Participants will learn which programs are coming, which are available now, how to put together successful proposals, and how to use transportation funding to help drive post-pandemic recovery and growth in their communities.

Speakers:

Charles Small US Department of Transportation
Stephanie Pollack US Department of Transportation
Mariia Zimmerman USDOT

Closing General Session

Speakers:

Vince Williams City of Union City
Byron Amos City of Atlanta
Jim McGovern U.S. House of Representatives
Mitch Landreiu City of New Orleans
Caitlin Emma POLITICO
Jennifer Scholtes POLITICO
David Sander City of Rancho Cordova
Victoria Woodards City of Tacoma
Jill Biden

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3/28 Tuesday

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Advocacy Day on Capitol Hill

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3/29 Wednesday

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Hotel check out and return home



MEMORANDUM

To: Administration & Finance Committee
From: Bart Perman, Information Systems Manager
Date: April 13, 2023
Re: Purchase Agreement amendment to add Managed Detection and Response

History:

The City has an existing purchase agreement with Trebron Company for the City's anti-virus, anti-spam, and email gateway protection solutions. In the 2023-2024 Biennial Budget, Council approved a decision card to add a Network Monitoring and Response Solution to the City's network security infrastructure. The proposed amendment would add this solution to the City's existing solution.

The current Purchase Agreement is a five-year agreement at \$7,596 per year for the email protection solution. The amended Purchase Agreement will increase the yearly cost to \$42,145.80 and will cover our existing solution plus the Network Monitoring and Response solution. The decision card approved \$51,747 per year for a Network Monitoring and Response solution. The proposed amendment will show savings of \$85,986 over the life of the purchase agreement.

Proposal:

Staff is requesting that the Administration & Finance Committee place Agenda Bill #6205 - A Motion to amend a purchase agreement with Trebron Company, adding Network Monitoring and Response functionality be placed on the Consent Agenda for approval at the April 25, 2023 Regular Council Meeting.



MEMORANDUM

To: Administration and Finance Committee
Through: Carl Cole, City Manager
From: Gwen Pilo, Finance and Systems Director
Date: April 13, 2023
Re: Amending the Travel Policies, Regulations, and Procedures

Governments allow travel for business and training purposes that benefit the entity. A comprehensive travel policy is a useful tool to ensure expenses incurred while on city business are a reasonable and prudent use of public funds.

The current Travel Policy was last amended on January 12, 2010 and is provided in the packet for your reference.

A committee of 12 employees met approximately once a month for the past year to create the proposed policy for your consideration. The work started by identifying pain points of the current policy, researching, and understanding the constraints with which a new policy could be created (IRS rules, state law, ethics policy, auditor rules, and best practices), and researching other agency policies to determine the best practices for SeaTac's policy. While many components remain the same, the policy presented today is a complete re-write of the current policy.

The goal of this policy is to provide a comprehensive travel policy that is easy to read and follow so users can gain compliance with the least amount of stress. The major changes are addressed below.

Layout. The policy is laid out in an easy-to-follow format with links to sections, both in a table of contents and throughout the document. This solves the problem of users not being able to find information within the policy or understand the requirements.

Definitions. Definitions are provided for clarity and to assist users with terms used throughout the document.

Approval for Travel. Currently, the City Manager is required to approve all travel requests over \$350.00 and travel pre-approval is acquired by submitting the *City of SeaTac Travel/Purchase Authorization and Expense Claim Form* (the pink form). The policy states documentation is to be provided but does not go into detail about what constitutes proper documentation. The issues identified by the group were: One cannot travel for less than \$350.00 requiring the City Manager

to sign every request. Detailed travel budgets are created and approved by the City Manager during the budget process, therefore his approval seems duplicative and time consuming. The forms are confusing, often leading to incomplete information being provided.

The proposed policy allows travel authorization to occur at the Authorized Signer level and City Manager Approval is only required in certain situations. The Travel Pre-Approval process is detailed to include instructions on how to fill out the *Travel Pre-Approval Form* and what is required to be provided as back up as part of the Travel Authorization Packet.

Lodging. The current policy allows for lodging where total distance is 45 miles from City Hall and maximum rates for lodging are \$120 to \$200 per night depending on the size of the destination city.

The proposed policy extends the distance to 50 miles from City Hall or the travelers residence. This was identified as a pain point in the current policy due to the increase in traffic and travel time in the Puget Sound Area. It is recommended the City use the rates established by the Office of General Services Administration (GSA) for lodging as they are indexed to location and updated as needed to keep up with inflation.

Meals. The current policy has specific meal allowances and requires receipts to be turned in for reimbursement. While the meal allowances were in line with GSA limits in 2010 they are outdated in 2023 and the process of retaining and turning in receipts is troublesome to many for various reasons. Receipts are printed on thermal paper which loses its readability over time, detailed receipts are sometimes not provided, the Treasury Manager spends hours reconciling receipts to ensure compliance with the policy, and it is hard to comply with the daily total of \$64.00 as spelled out in the current policy.

It is recommended the City use per diem rates as established by the GSA for meals as they are indexed to location and updated as needed to keep up with inflation. Per diem meals will be reimbursed to travelers after they return from travel to ensure the travel took place and meals were not provided as part of the training registration. Receipts will not be required.

Transportation. Much has changed in the transportation world since 2010 and this section has been expanded to include many of these changes. From refundable airfare to rideshare and mile reimbursement for use of a personal vehicle, rules, laws and best practices have been updated to reflect the current state of travel and address the new methods of transportation available.

International Travel. The current policy does not address international travel, however many conferences are now taking place outside of the United States, For example the Government Finance Officers Association of the United States and Canada, will occasionally have the annual conference in Canada.

The proposed policy allows the City Manager to approve international travel for employees and the Administration and Finance committee will approve international travel for the City Manager and Councilmembers.

Combining Personal and Business Travel. The current policy states the City will pay for a spouse or family member to accompany the traveler and the traveler will reimburse the City.

The proposed policy no longer allows the City to pay for a traveler's family and then be reimbursed. The traveler must pay for their spouse/family separately.

Ineligible Expenses. The proposed policy provides an easy-to-read list of items that will not be reimbursed.

Claim and Approval Procedure. The current policy provides one paragraph on how to submit for travel expenses and other requirements are interspersed within the policy making it hard to find. One of the pain points identified was the pre-approval and reimbursement request are the same form and confusing to understand (when to use what color form, when to copy the pre-approval, what to attach as documentation, what to provide when actual cost exceeds estimated).

The proposed policy discusses the different ways travel can be paid for and how to submit for each method. A copy of the Travel Pre-Approval Form still needs to be submitted with payment requests however, a separate Claim for Expense Form has been created for reimbursement of personal expenses to make it less confusing on which form should be used in what circumstance.

Recommendation

It is recommended that the Administration and Finance Committee refer this Resolution to the full Council for approval on the Consent Agenda.

Fiscal Impact

While moving to a per diem for meals and lodging may increase travel costs, the staff time spent on filling out forms, auditing and correcting travel invoices, and efforts to recoup overages will be greatly decreased allowing staff to focus on other important tasks.

City of SeaTac Travel Policies, Regulations, and Procedures



Adopted {DATE}

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Purpose

It is the policy of the City to support travel and training expenditures as necessary to accomplish department goals and objectives. Additionally, an investment in training and development is essential to ensure staff at all levels remain current in the knowledge, skill, and abilities required of their positions.

To ensure accountability and fiscal responsibility, reimbursement for such necessary and reasonable expenses incurred by authorized individuals while conducting City business will be made subject to the rules contained in the policy and with RCW 42.24.

Responsibilities

It is assumed and expected that expenses incurred under this policy will be appropriate to the circumstances and consistent with the best interests of the City and its desire to minimize travel costs. In all cases, the individual must be able to demonstrate the public purpose served by the expenditure for which the reimbursement is requested and provide reasonable documentation supporting the expenditure.

It shall be the responsibility of the Finance & Systems Department to ensure that these policies are adhered to and to provide the forms and instructions necessary for their implementation. It shall be the responsibility of individuals to become knowledgeable about appropriate expenditures and documentation requirements. Exceptions to the rules set forth herein may be made only for unusual or extenuating circumstances when such expenses reasonably relate to a benefit or service received by the City and compliance was not feasible. Policy exceptions may be authorized in writing by the City Manager or his/her designee.

Definitions

Accounts Payable Direct Invoice: An invoice sent by the vendor to Accounts Payable for payment.

Accounts Payable Claim for Expense: Authorized expense claim submitted by the employee to claim back costs personally paid for while in travel status.

Authorization: Refers to the process by which all travel expenses must be approved by someone other than the traveler. Authorization should be from a direct supervisor, manager, or department director.

Commercial Lodging Facility (CLF): Refers to a business, non-profit, or governmental entity that provides lodging accommodations for a fee.

Conference Hotel: Refers to the Commercial Lodging Facility (CLF) where the conference/training is taking place or group of CLF's that provide a discounted rate if attending the conference/training.

Detailed Receipt: Detailed receipts include the following information: date, description of purchase, vendor identification and amount paid.

GSA: Office of the General Services Administration, agency setting federal per diem rates, found at <http://www.gsa.gov>

Incidental Expenses: Fees and tips given to porters, baggage carriers, hotel and restaurant staff, flight attendants, and others for personal services performed. This is not a miscellaneous expense. An allowance for incidental expenses is included within the per diem rates.

Local Area: Refers to any location within a 50-mile radius of the traveler's Official Duty Station or Official Residence, whichever is closer.

Official residence: Refers to the location where the traveler maintains a residence used as a primary domicile and the permanent address carried in the employee's personnel file.

Official duty station: Refers to the location where the traveler's office is located or where the traveler's work is performed on a permanent basis.

Per Diem: Allowances for lodging, meals and incidentals as established by the Office of the General Services Administration (GSA) for the area of travel. The most current per diem rates can be found at the following web address: <http://www.gsa.gov>. Per diem rates include the costs of tax and gratuity.

Public Purpose/City Business: Serves the benefit of the public rather than aiding the interests of an individual or specific group.

Reimbursement: Can also be interpreted to mean "paid for by the City." Eligible expenses need not necessarily be reimbursements to the individual, they can be expenses paid by the City directly to the vendor.

Transportation Network Company (TNC): Vehicles that transport people for compensation. This includes taxis, ride-share (Uber/Lyft), airport shuttles, etc. This does not include public transportation.

Travel Authorization Form: Official City form used to obtain authorization for travel. See Attachment A. This form is provided by the Finance & Systems Department in PDF format.

Traveler: A staff member as defined in this policy, elected official, or authorized non-staff member that is in travel status while on official City business

Travel Status: The official status of a traveler when the traveler is away from both the official residence and the official duty station. The IRS defines this as a time when your duties require you to be away substantially longer than an ordinary day's work, and you need to sleep or rest to meet the demands of your work while away from home.

A traveler is in travel status when travel is on behalf of the City for official City business and one of the following conditions are met:

- The traveler stays overnight, or
- Travel occurs more than 50 miles from either the official duty station or official residence excluding the normal commute.

Overnight Travel Expenses

Pre-Approval

Prior approval for overnight travel is required for all individuals travelling on City business. Finance staff can provide assistance, if needed, in determining allowable rates, completing forms, etc.

Travel Authorization

Advance authorization for travel must be obtained as documented by a properly completed and approved Travel Authorization Form (Attachment A). All anticipated travel expenses must be listed, and appropriate approval signatures obtained.

Advance Travel Arrangements Required

All travel arrangements, including but not limited to airline reservations, hotel reservations, conference registration, etc., shall be made in advance to take advantage of any available discounts and to avoid paying premium rates, but only after a Travel Authorization Form has been completed and approved.

Documentation for Pre-Approval

YOUR TRAVEL AUTHORIZATION PACKET:

- Travel Authorization Form
- Conference or training agenda documentation that indicates the purpose, dates and times of the conference/training, and details of what registration includes
- Documentation of hotel costs for conference hotel or surrounding area
- Documentation of GSA per diem rates (print destination rates)
- Documentation of transportation estimates
- Documentation of car rental estimates
- Documentation of other transportation estimates

For additional information on allowable costs click on the title to be directed to the appropriate section.

Travel Authorization Form

The following section provides instructions on filling out each section of the Travel Authorization Form.

Traveler Name, Department/Division, Regular Schedule. Who is the traveler? What department and/or division do they work for? What is their schedule (Example: M-Th 7:30AM-6:00PM)?

Official Residence, Official Duty Station. Where does the traveler live? Where is the traveler's workstation located? This will be used to determine the reasonableness of departure times and mileage.

Name of Conference/Training. What is the name of the conference or training and who is hosting it?

Location of Conference/Training. Where is the conference or training taking place? Include the address.

Conference Start and End Date/Time. When does the conference or training start and end? This can be found on the conference or training agenda.

Departure and Return Date/Time. When does the traveler plan on leaving and returning? If the traveler is departing from the airport, at least 2 hours should be added to the departure time for airport checking in/bags, TSA checks, etc.

Is This Travel Budgeted? If this specific travel or training was included in the budget the answer is "Yes", if not, the answer is "No" and provide a brief description of how this will be funded in the comments section.

Registration and Due Date. Provide the date the registration is due. This information helps approvers determine how much time is available to review the request for travel. Include the conference or training agenda detailing purpose, dates and times, and other services included. Put the amount of the registration in the Estimated Amount column.

Lodging. On the Lodging/Meals/OT Estimator Worksheet enter the dates of travel in the Date column and the estimated lodging charges for each day. The total charge will auto-populate in the Estimated Amount column on the Travel Authorization Form.

It is appropriate to use the conference hotel. A copy of the hotel costs must be included with the Travel Authorization Form.

If a conference hotel is not available, use the GSA lodging per diem rates to determine the reasonableness of the lodging cost. Provide a printout of the GSA per diem rates for the destination. If rates are greater than the GSA lodging per diem rate the rates for three establishments contacted must be provided with the Travel Pre-Approval Request Form.

Meals. On the Lodging/Meals/OT Estimator Worksheet fill out the meal costs for each day using the GSA per diem for the appropriate location. The first and last day of travel are 75% of a full day as identified on the GSA webpage. If a meal is provided as part of the registration enter a "0" in the box. Include Incidentals. The total will auto-populate in the Estimated Amount column on the Travel Authorization Form. Provide a printout of the per diem destination rates with the Travel Authorization Form.

Transportation. Put a check mark next to the mode of transportation the traveler will be using. Put the amount estimated in the Estimated Amount column. Provide documentation of transportation estimates.

Personal Vehicle. Use a mapping service to determine the number of round-trip travel miles. Enter round trip miles in the No. of Miles box. Enter the current IRS rate for the dates of travel. The Estimated Amount will auto-populate. Provide the map showing the miles to the destination.

Rental Vehicle. Enter the number of days the rental car is needed. Enter the daily rate including taxes. The Estimated Amount will auto-populate. Provide documentation of car rental estimates.

Other Travel Expenses. Fill out this section for other anticipated charges or costs to travel.

- Parking costs may be included with the hotel estimate.
- TNC charges are included as needed for official business purposes.
- Tolls and ferry fees should be indicated on the mileage map.
- Baggage fees may be included on the airline estimate or can be found on the airline webpage.
- Miscellaneous Costs include public transportation, laundry, postage, phones calls, etc. as otherwise allowed in the policy. Use the comments section if needed to explain cost.

The traveler will need to look up what those charges will be and provide documentation.

Approximate OT hours for Traveler. Include any overtime hours that will be incurred by the traveler by filling out the Lodging/Meals/OT Estimator Worksheet. Enter the date the OT will be incurred. Enter the hours using military time (for example 1:00 PM would be entered as 1300). Provide a brief explanation of why OT will be needed. The Estimated OT Hours will auto populate in the Estimated Amount column on the Travel Authorization Form.

Comments. Provide any comments or explanations of estimated charges.

Return Form To. Enter the name of the person the Treasury Operations Manager should return the form to. For example, if someone else is filling out the form should it be returned to them or the traveler?

Approval Signatures and Routing. Once complete, the traveler will sign, date, and route the completed Travel Authorization Packet to their supervisor or manager. The supervisor or manager will review, sign, date, and route the Travel Authorization Packet to the Treasury Operations Manager. The Treasury Operations Manager will route to the City Manager if required or return the packet to the person designated on the form.

Registration

Registration fees shall be included on the [Travel Authorization Form](#) and made in a timely manner to take advantage of early registration discounts. Registration can be prepaid, after the Travel Authorization has been approved, using the City Purchase card or accounts payable. If a check is to be processed, the request for payment shall be submitted in sufficient time to process the registration with regular accounts payable procedures.

Lodging

The actual costs of commercial lodging facility accommodations are eligible for payment or reimbursement up to the maximum lodging rate allowed (excluding tax and mandatory hotel service fees) for the area of travel as established by the GSA when the destination is more than 50 miles based on the most direct route from the individual's official residence or official duty station, whichever is closer to the destination.

The GSA website can be accessed at: <http://www.gsa.gov>.

Exceptions to the Maximum Allowable Lodging Rates

In the following situations, the maximum allowable lodging amounts may not be adequate, and the Director may approve payment of lodging expenses that exceed the allowable amount.

Approval must be made in advance of the travel:

1. When an individual elects to stay in the Conference hotel.
2. When costs in the area have escalated due to special events or disasters.
3. When lodging accommodations in the area of travel are not available at or below the maximum lodging amount, and the savings achieved from occupying less expensive lodging at a more distant site are consumed by an increase in transportation and other costs.

Actual costs are limited to the room rate, applicable taxes, and mandatory fees.

The City's Travel policy excludes payment for overnight stays within 50 miles of the City. However, special circumstances will be considered when requested on the Travel Authorization Request Form. Lodging within 50 miles for multi-day functions may be authorized. Discretion should be used when doing so. Factors that should be considered are length of travel from the traveler's official residence or official duty station, length of meeting, and budget available.

Refer to the [Transportation](#) section for [Parking](#) requirements.

Meals

All Individuals on travel status shall be reimbursed for meal expenses using per diem rates as established by the Office of the General Services Administration (GSA) for the area of travel. The Meals and Incidental Expense rates established by the GSA are adjusted annually. Per diem rates are found at the GSA website: <http://www.gsa.gov/perdiem>. If a particular destination is not listed, the standard rate listed is used. The first and last day of travel are subject to the 75% per diem amount as listed in the GSA per diem rates by travel destination.

Allowable Meals

1. Per diem is used to claim meal reimbursements ONLY while in approved travel status for out-of-town trips (greater than 50 miles from SeaTac). Per diem is not allowed for local meals.
2. The per diem rate covers the cost of meals, taxes, gratuities, and incidentals. Meal expense receipts are not required when submitting for per diem.
3. Per diem reimbursements are provided through the City's normal claims cycle process via voucher using an Employee Claims Reimbursement Form after returning from approved travel.
4. The Travel Authorization Form must accompany the Employee Claims Reimbursement Form for per diem reimbursement requests.
5. City Purchase cards shall not be used for the purchase of meals.

Non-Allowable Meals

Any planned meals, the cost of which is included in a City-paid registration fee, whether or not the traveler actually partakes in the meal, will not be eligible for per diem. Planned meals include box

lunches and banquets. Receptions at which hors d' oeuvres are the primary offering and provided by a common carrier or a complimentary meal provided with lodging are not considered meals.

Incidentals

Incidental expenses are included as part of the daily per diem rates and cover fees and tips given to porters, baggage carriers, bellhops, and hotel maids.

Transportation

Actual costs of transportation including air travel, bus travel, train travel, ferry fees, TNC charges, tolls, car rentals, and parking fees will be reimbursed. The use of a City vehicle rather than a personal car is encouraged. Travelers should evaluate their individual circumstances and select the safest, most economical alternative when traveling to and from all destinations.

The City shall pay for the least costly and appropriate mode of transportation. Where feasible, individuals traveling together shall utilize carpooling methods to minimize the cost of commuting expenses.

When changes in travel plans occur, as a result of City business requirements, (i.e., delays in departure, cancellations, extended stays, or revised itinerary) any associated costs shall be paid by the City (see section [Changes to Travel Plans](#)). However, all increases in the cost of travel due to changes for personal convenience will be borne by the employee (see section [Combining Personal and Business Travel](#)).

General guidelines are as follows:

Air Travel

Individuals are expected to make their own air travel arrangements after receiving approval on the Travel Authorization Form. Individuals may use their own funds and submit a request reimbursement, or they may use their City P-card.

The City shall only pay the lowest available coach class round trip airfare for a regularly scheduled flight that allows for flight changes and reasonably accommodates the time of departure and arrival between any Puget Sound Area Airport and the business-related destination.

Individuals are expected to book flights in advance to take advantage of available credits, reduced rates or discounts to reduce the cost to the City.

All major airlines are deemed to meet the City's travel needs.

Reimbursement for travel expenses may be allowed for the day immediately preceding a Training/conference and, if necessary, the day following if one of the following conditions is met:

1. If the savings in airfare is greater than the cost of the additional hotel and meal expenses; or,
2. If the timing of the beginning or end of the conference and arrival/departure time is unreasonable.

The most direct and cost-effective mode of transportation will be the basis for the reimbursement. Documentation of cost justification should be provided at pre-approval.

Vehicle Expenses

City Vehicle

Costs of transportation and vehicle operation are acceptable, such as gas, tolls, ferry charges, parking, and necessary repairs. Except in emergency situations, employees should contact the Public Works Maintenance and Operations Manager before incurring any repair expenses.

Personal Vehicle – Mileage Reimbursement

When a personal vehicle is used for a trip, mileage reimbursement shall be at the current Standard Mileage Rate allowed by the United States Internal Revenue Service.

Mileage reimbursement will be calculated based on the most direct round-trip distance between the individual's official residence or official duty station and the destination, depending on where Travel Status begins.

However, the total reimbursement shall not exceed the amount of the round-trip coach class airfare plus travel related expenses (i.e., mileage to-and-from airport or TNC/rental car, parking, baggage, etc.) if available for the same trip.

Rental Vehicle

The justification for the cost of vehicle rental must be clearly stated on the Travel Authorization Form.

Vehicle rental should be classified as "compact" to provide the lowest cost to the City. When more than one person is sharing a vehicle, the smallest, most cost-effective vehicle that accommodates the passengers, luggage and equipment shall be used.

Only individuals covered by the City's insurance or officers covered under the King County Sheriff's Office Contract shall be authorized to drive any rented vehicle. The individual's automobile insurance is the primary coverage on the vehicle and the City's insurance policy provides excess liability coverage while the employee is conducting City business after the employee's coverage is exhausted. The City's policy is primary on vehicle rentals charged on a P-card. In the event of an accident in a rental car, the Risk Manager shall be notified immediately.

KCSO employees shall follow the policies and procedures of the King County Sheriff's Office.

Taxis/Rideshare, Shuttles, and Public Transport

When travel is scheduled by public transport (bus, train, air, etc.), surface transportation to and from the airport/transportation depot is appropriate.

When authorized and pre-approved, your transportation expenses in the performance of official travel are reimbursable for the usual fare plus tip (not to exceed 20%) for use of a taxi, TNC, innovative mobility technology company, shuttle service, or other courtesy transportation (if charges result), in the following manner:

1. At the beginning/ending of Travel Status:

- a. From your residence or other authorized point of departure to airport/transportation depot, e.g., residence to airport.
 - b. From the airport/transportation depot to your residence or other authorized point of return, e.g., airport to residence.
2. At your destination:
 - a. From the destination airport/transportation depot to your place of lodging or place of official business and return, e.g., airport to hotel.
 - b. To, from, and between your places of lodging and official business, e.g., hotel to conference location.

Courtesy Transportation

You should use courtesy transportation services furnished by the lodging facility or conference to the maximum extent possible as a first source of transportation between a place of lodging and airport/transportation depot or lodging and conference locations.

Surface transportation to obtain meals is not considered a business purpose and will not be paid for by the City.

Parking

Parking in the airport garage will only be authorized for documented necessary accommodation or if it is more cost effective.

Parking at the hotel will be reimbursed when personal or city vehicle use is authorized, and it is less than the cost of airfare and ground transportation.

International Travel

City Manager approval is required for international travel by all employees except City Council and City Manager.

Approval by the Administration and Finance Committee is required for international travel by the City Council or City Manager.

Combining Personal and Business Travel

When personal travel is combined with business-related travel, the traveler shall provide documentation showing the cost of airfare for travel for City business only (at the time the reservation is made) as well as the receipt for the actual cost which includes personal travel. If the addition of personal travel makes the cost higher, the traveler should use their own funds to pay the fare and request reimbursement of the lesser amount. If the addition of personal travel makes the cost lower or the same, the traveler may use a City P-card to pay the fare.

If an individual desires to have a family member or guest accompany them on any City related travel the traveler shall do so at their own expense. At no time will the City pay for expenses incurred for family or guests. Any change in itinerary made solely for the benefit of the traveler shall be done at the traveler's expense. Expenses for travelers must be kept separate from family or guest travel. The City reserves the right to reject a request for reimbursement where travel expenses have been improperly co-mingled.

Miscellaneous Expenses

Allowable Miscellaneous Expenses

This category includes all reasonable and necessary miscellaneous expenses and includes, but is not limited to, the following:

- Public transportation, taxi, bridge, ferry, parking fees or other tolls as allowed in the [Transportation](#) section.
- Laundry expenses if on travel status for (5) or more days.
- Checked Bag Fee – one bag per traveler.
- Postage for business purposes.
- Phone calls for business purposes.

Laundry Service

Actual cost of laundry service is an allowable expense when travelers are required to be in travel status five or more days consecutively, or the condition under which they are required to work while away from the local area creates a need for such services.

Circumstances not covered in this policy shall be decided by the Treasury Operations Manager based on the intent of the policy and the demonstrable public purpose served.

Ineligible Expenses

Any excess travel expenses which are brought about by the traveler's personal activities are the responsibility of the traveler. Only travel expenses directly related to City business are allowed.

None of the following expenses shall be paid by the City:

- Travel expenses paid for by another organization.
- Meals or lodging in lieu of meals or lodging included in a registration fee.
 - See Meals section for more information, including meals provided by hotels or airlines.
- Meals, lodging accommodations or any other expenses for family or guests.
- Room Service or any in-room charges for mini-bar items, movies, etc.
- Alcoholic beverages.
- Airline baggage fees for more than one checked bag.
- Mileage if traveling as a passenger or in a City vehicle.
- Parking violations, fines, or traffic tickets.
- Personal entertainment (sightseeing tours, movie rentals, sporting events), postage, or toiletry charges.
- Conference-related activities for personal entertainment.
- Fees for sightseeing tours.
- Trip insurance.
- Loss, damage, or theft of personal property.
- WiFi on the Airplane

Changes to Travel Plans

If changes in travel plans occur that are the result of City business requirements, (i.e. delays in departure, cancellations, extended stays, or revised itinerary) any associated costs shall be paid by the City. If cancellations result in any credits in lieu of refunds, the Treasury Operations Manager shall be notified in order to document the credits. However, any increase in the cost of travel due to changes for personal convenience will be borne by the traveler.

Travelers are personally responsible for cancelling or changing all travel arrangements when cancellations arise for personal reasons. Travel charges will not be reimbursed by the City, and if prepaid may be charged to the traveler if the traveler is negligent in making arrangements to receive a refund or convert airfare to a credit for future use.

Health and Safety of Travelers

The health and safety of travelers is a top priority in the conduct of travel related activities. It may be necessary to alter travel plans and itineraries in consideration of hazardous inclement weather and other situations that could threaten the health and safety of the traveler. When this occurs, travelers should:

- Promptly notify the traveler's supervisor of the change in travel plans.
- Note the reason for any additional expense on the traveler's Travel Accounting Form.

Claim and Approval Procedure

Payment and Claim for Expenses Documentation

Payment for travel related expenses can be made either through the City's Purchase Cards, Accounts Payable Direct Invoice, or Accounts Payable Claim for Expense.

Use of City Purchase Cards (P-cards)

City P-cards are the preferred method of payment for any expenses that cannot be prepaid through the accounts payable process, including airfare and lodging but excluding meals. Any payments made using a City P-card must comply with all City of SeaTac P-card policies and procedures. **Original, itemized receipts, the Travel Authorization Form, and the Travel Accounting Form are required for all P-card purchases and must be submitted with the P-card Transaction List.** Any P-card charges not authorized or not properly documented are the responsibility of the traveler and must be repaid to the City per Sections 6.2 and 7.0 of CW-031 Purchase Card Program.

City P-cards may only be used for the following traveler related expenses:

- Conference registration.
- Eligible transportation related costs such as airfare and parking fees.
- Eligible lodging costs.

City P-cards may not be used to pay:

- Any portion of an expense that is the responsibility of the individual. For example, if lodging costs are higher because of an additional guest in the room or extended stay, only the portion of the lodging cost attributable to the City may be charged to the City P-card.
- Meal expenses, except meals included with conference registration or included with lodging.

Accounts Payable Direct Invoices

If a vendor is able to send an invoice directly to the City, the invoice may be submitted through the regular Accounts Payable payment process. **The Travel Authorization Form and Travel Accounting Form must be attached to the invoice when submitted for payment.** Registration would be the most common occurrence for using this method of payment.

Accounts Payable Claim for Expense

Expenses incurred by the traveler in the conduct of business on behalf of the City may be reimbursed through the Accounts Payable Claim for Expense Form.

Accounts Payable Claim for Expense requests must be returned to the finance department within fifteen (15) business days of returning to the City.

Claims for Expense are submitted to Accounts Payable after all authorizing signatures are obtained. Standard processing time for a reimbursement is two weeks if there are no questions regarding the forms or supporting documentation provided. Employees can reduce the probability of delayed processing by submitting required documentation and clear explanations regarding public purpose and unusual items.

Itemized receipts, the Travel Authorization Form, and the Travel Accounting Form must be attached to the Accounts Payable Claim for Expense Form when submitted for payment.

Meal expenses are reimbursed on a per diem basis and do not require receipts for reimbursement.

Miscellaneous Documentation

Detailed receipts include the following information: date, description of purchase, vendor identification and amount paid.

Generally, each traveler is expected to submit their own Claim for Expense Form. However, expenditures for other travelers may be submitted for reimbursement by the traveler who incurred the expense. The other travelers' names must be identified on the Travel Accounting Form.

When lodging accommodations are shared between two or more travelers, lodging expenses may be submitted by the traveler paying the bill. All non-lodging charges reflected on the statement which are claimed for reimbursement must be supported on Travel Accounting Form of the individual incurring the charges.

Any charge which could reasonably raise questions should be accompanied by an explanation on the Travel Accounting Form. Failure to provide adequate documentation (receipts) or explanation for all expenses claimed for reimbursement could result in the employee being personally responsible for the charges.

No Claim for Expense requests will be authorized for any expenses incurred in a previous budget year after that budget year has closed.

No Receipt Certification

The purpose of a no receipt certification is to provide a means of reimbursement when a receipt is not available. It is not intended as a substitute for providing itemized receipts to the City. However, it is understood receipts can be lost, misplaced, or not provided from time to time, and reimbursement of certain expenses is appropriate.

A Declaration of Lost Receipt or Declaration of Lost Itemized Receipt is acceptable only after all reasonable attempts to locate or obtain a copy have been exhausted.

The maximum amount that a traveler may submit to the City for reimbursement without providing a detailed, itemized receipt is \$50.00 per calendar year. Any expenses in excess of \$50.00 per calendar year, not substantiated with a detailed receipt, shall not be reimbursed.

Lodging/Meals/OT Estimator Worksheet

Link to GSA Website: <https://www.gsa.gov/travel/plan-book/per-diem-rates>

Conference Start Date: _____
 Conference End Date: _____
 Start Time: _____
 End Time: _____
 Departure Location: _____

Departure Date: _____
 Return Date: _____
 Time: _____
 Time: _____
 Return Location: _____

Date	Lodging Charges (include Taxes and Fees)	First/Last Day of Travel	Breakfast	Lunch	Dinner	Incidentals	Total Meals
Totals	\$ -						

Enter hours as numbers using military time (see top row example) and enter the hours in the shaded box. Total at bottom will auto-populate.

Date	Start Time	End Time	Hours	Explanation of estimated OT Costs:
	1300	1525	225	
Totals			0	



City of SeaTac Travel Accounting Form

This form must be completed within 15 days from the date of travel, signed by the employee and supervisor and forwarded to the Treasury Operations Manager. Itemized receipts for all travel expenses (excluding meals and mileage), the Travel Authorization Form, and the Travel Accounting Form are required to be attached with method of payment.

Traveler Name: _____ Department: _____

Conference: _____ Dates: _____

Expense Table

	Estimated Amount from Authorization Form	Date Submitted for Payment	Method of Payment			Provide explanation if: Actual amount is \$50.00 more than estimated amount on Travel Authorization Form. Claim for Expense includes other traveler expenses. Charges could be questioned.
			P-Card Total	Accounts Payable Direct Invoice Total	Accounts Payable Claim for Expense Total	
Registration						
Lodging						
Lodging						
Meals						
Transportation						
Transportation						
Mileage						
Car Rental						
Parking						
TNC Charges						
Tolls/Ferry						
Baggage Fees						
Misc. Costs						
Totals						

Approval Signatures	Date
----------------------------	-------------

Traveler: _____

Supervisor/Manager: _____

Treasury Operations Manager: _____



Accounts Payable CLAIM for EXPENSES

Employee: _____ Department: _____

Purpose for expenditures: _____

EXPENSE BREAKDOWN

Mileage – Business Use of Personal Vehicle <small>Attach Mileage Tracking Log or Approved Travel Pre-Approval Form</small>	\$
Per Diem <small>Attach Approved Travel Pre-Approval Form</small>	\$
Other Expenses <small>Attach Approved Travel Pre-Approval Form Detailed receipts must be provided for all expenses.</small>	\$
TOTAL EXPENSES	\$

I, the undersigned applicant, do hereby certify under penalty of perjury that the information contained in the foregoing claim for reimbursement of expenses is true and correct; that the expenses were actually incurred by me in the performance of the scope of my duties as an employee of the City of SeaTac, and in a manner consistent with the policies established by the City Council relating to reimbursement of expenses; that I have not previously been paid or reimbursed for any of said expense.

Employee Signature

Date

Expenditure Account Coding:

BARS#: _____ Amount: _____

BARS#: _____ Amount: _____

BARS#: _____ Amount: _____

BARS#: _____ Amount: _____

BARS#: _____ Amount: _____

BARS#: _____ Amount: _____

Supervisor Signature

Date

Authorized Approver Signature

Date

See other side for frequently used expenditure accounts

Fund	Department	Object/Sub-object
001 General	01 Council	31.008 Office & Operating Supplies
102 Street	02 Municipal Court	35.000 Small Tools
107 Hotel/Motel	03 City Managers Office	42.029 Postage
113 ARPA	04 Finance & Systems	43.031 Lodging
114 Restricted Public Safety	06 Legal/City Clerk	43.032 Meals
307 Transportaion CIP	07 Human Resources	43.033 Transportation
403 Surface Water Management	08 Police	49.054 Memberships
404 Solid Waste & Environmental	09 Fire	49.061 Registration
501 Equipment Replacement	10 Parks & Recreation	
	11 Public Works	
	13 Community & Economic Development	

CITY OF SEATAC, WASHINGTON TRAVEL POLICIES, REGULATIONS AND PROCEDURES

ARTICLE I: POLICY

1. **PURPOSE:** The purpose of this policy is to identify and provide guidelines regarding the City's travel policies and to further delineate those valid business expenses for which public officials and employees of the City may qualify for payment or reimbursement.
2. **PERSONS AFFECTED:** This policy applies to all employees and appointed and elected public officials of the City of SeaTac (collectively referred to as employees/officials).
3. **REFERENCES:** Internal control procedures of Finance, Resolution 94-009, Resolution 99-021, Resolution 03-015, Resolution 05-005, Resolution 08-007, Resolution 10-004, and Chapter 42.24 RCW.
4. **POLICY STATEMENT**
 - A. It shall be the policy of the City of SeaTac to allow the attendance and participation of employees/officials at meetings, training sessions, and conventions where such participation is determined to be in the best interests of the City of SeaTac. Those employees/officials who attend such meetings and conventions shall be reimbursed or shall be provided a City credit card for all valid business expenses related to the attendance and participation of such meetings, training sessions, and conventions. Spouses, other family members or guests may attend these functions, but the attendance by such spouse, other family members or guest shall be at the cost and expense of the employee or public official.
 - B. When City travel can be accomplished at a lower cost, City financial resources can be better utilized for other City purposes. Moreover, the public expects employees/officials to spend their tax dollars in an economical and prudent manner, no matter the dollar value of the transaction. All employees/officials shall travel in a manner that keeps this in mind.
 - C. It shall be understood that all subsistence rates, allowances and payments provided to employees/officials through the implementation of this policy shall be paid when such employees or public officials are engaged in City business and where the attendance or participation at meetings and conventions has been authorized in advance as follows:
 - Approval by the City Manager for Department Directors;
 - Approval by Department Directors for all other City Employees. In addition, the City Manager shall also approve travel for all City Employees where the estimated travel cost will exceed \$350.00 or that requires overnight lodging;

- Approval by the City Council Administration and Finance Committee for the City Manager;
 - Approval by the City Council Administration and Finance Committee for members of the City Council, citizen advisory committees, the Civil Service Commission, or the Planning Commission.
- D. Travel arrangements for the City Council, shall not exceed budgeted amounts.

The City Council shall be provided a quarterly accounting of expended, committed and unexpended balances in the travel related line items of the City Council budget. For the purposes hereof, travel related budget expenditures for the City Council shall refer to and consist of the following budget line items:

- 511.60.43.031 Lodging
- 511.60.43.032 Meals
- 511.60.43.033 Transportation
- 511.60.43.034 Mileage Reimbursements
- 511.60.49.061 Registration

- E. Receipts, proof of payment documentation or certification in the case of no receipts are required for all reimbursements. Such documentation shall be provided to the Finance Department within 15 days of the completion of travel.
- G. If an employee/official wishes to have his/her spouse, other family members or guests accompany him/her on any City related travel, the employee/official shall advise the City at the time the advanced travel request is made. The employee/official shall provide payment to the City of any costs for the spouse, family members or guests which would need to be submitted in advance to the sponsors of the convention, seminar or meeting so that no obligation by the City exists to provide such payment and that payments are received in a timely manner by the sponsor.
- H. If an employee/official requests travel arrangements to be made by the City, and payment is forwarded to the sponsor of the requested convention, seminar or meeting, or other travel arrangements are paid for by the City, and that employee/official fails, without good cause to attend the convention, seminar or meeting, the employee/official shall reimburse the City the amount paid by the City. Questions of good cause shall be determined in the same manner as set forth in Section C of this Article related to pre-approval of travel.

ARTICLE II: GENERAL

1. CONTROL OF TRAVEL

- A. A positive system for control over travel, reimbursable under these regulations, is established by the City. Prior authorization is required as outlined in Article I, Section C. Authorization of travel is to be exercised through the use of the current budget, or through other equally effective means.

- B. The employee/official shall complete the Travel Pre-Approval Section of the *City of SeaTac Travel/Purchase Authorization and Expense Claim Form* in advance of any City travel that will require reimbursement to the employee/official of any costs incurred during such travel. Documentation shall also be submitted as required by the Claim Form.
- C. *Itemized Receipts.* The employee/official is required to request and retain itemized receipts for all expenses incurred during the period of travel. When applicable, itemized receipts from restaurants with a listing of each food and beverage selection are required, as well as itemized receipts from lodging establishments. Any other travel expenses incurred shall be supported by an itemized receipt, clearly indicating the nature of the expenditure. If an itemized receipt is not available from a given establishment, the employee/official shall complete a *No Receipt/No Itemized Receipt Certification* form, stating the cost of the expense and reasons for unavailability of a detailed receipt. *Also see Article VI regarding the use of No Receipt Certification.*
- D. The completed *City of SeaTac Travel/Purchase Authorization and Expense Claim Form* with actual expenses incurred and the corresponding BARS line-item numbers shall be provided to the Finance Department within 15 days of the completion of travel. The back of this form shall be completed and used to provide a daily accounting of the reimbursable expenses incurred. All receipts, providing supporting documentation for the total expenses incurred during the period of travel, shall be attached to the form. The City Manager is required to sign where provided in the Actual Expenses Incurred Section for Department Director travel. Department Directors are required to sign for all employees in their department. City Manager travel expenses and City Council travel expenses shall be signed by the chair of the Council Administration and Finance Committee after review and approval by the Committee. The City Manager (for employee expenses) or the Administration and Finance Committee (for City Manager, Advisory Committees, Civil Service Commission, Planning Commission, or City Council expenses) shall be informed of any actual travel expense reimbursement requests that exceed the estimated amount approved for such travel.
- E. The employee/official will be reimbursed by the City in the next regular accounts payable claims cycle. Travel Expense Vouchers are to be audited by the Finance and Systems Director.
- F. If a question arises regarding the method of reimbursement to be allowed an employee/official under these travel regulations, the option to be selected shall be the option that is most advantageous and economical to the City. The method selected is not to be influenced by the personal travel plans of the employee/official.
- G. Employees/officials shall exercise prudent judgment when incurring travel expenses on official City business. Expenses determined to be inappropriate will not be reimbursed or paid for by the City.
- H. For purposes of these regulations, the following definitions apply:

1. In-State Travel - means travel within the State of Washington.
 2. Out-of-State Travel - means travel anywhere outside the boundaries of the State of Washington.
 3. City Employees - means all regular, temporary or seasonal employees of the City of SeaTac, whether full-time or part-time, and whether represented by a bargaining agent or not, including but not limited to the City Manager, department heads, supervisory or management employees.
 4. Appointed Officials - means all members of City boards, commissions or committees, who are not employees of the City but who have been appointed to represent the City as a non-paid volunteer on such board, commission or committee.
 5. Elected Officials - means members of the City Council holding current office, whether they have been elected to that position, or appointed to fill a vacant position on the City Council.
 6. Conventions, Seminars, Meetings - refers to and includes any and all public, municipal and governmental gatherings, for municipal-political, educational and professional purposes, the attendance at which, by City employee(s) and/or public official(s) would be beneficial to and in the best interests of the City of SeaTac.
- I. Maximum reimbursement of transportation expenses via commercial carrier is to be no greater than coach class or its equivalent, provided that it shall be the responsibility of the employee/official to request of the transportation vendor a "government rate," if available, unless a lower rate for the same travel service is available. Preference shall not be given to any particular carrier or routing. If personal travel is combined with City-related business travel, the employee/official shall be responsible for paying the increase in airfare necessary to accommodate the personal part of the flight. In all cases, the City shall only pay the lowest available advance purchase coach class roundtrip airfare between Sea-Tac Airport and the City-related business destination(s). Such payment for personal travel shall accompany the City's payment to the vendor for the air travel ticket.
2. **DIRECT PAYMENT TO VENDORS SUPPLYING SUBSISTENCE OR LODGING**
- A. Any employee/official who requests a direct billing to the City shall receive advance approval in the same manner as set forth in Section C of Article I related to pre-approval of travel.
 - B. Direct billings to the City from vendors for expenses of individuals in travel status are not to result in a cost to the City in excess of what would be payable by way of reimbursement to the individuals involved.

ARTICLE III: MEALS AND LODGING

1. **BASIS FOR REIMBURSEMENT - GENERAL**

- A. Reimbursement is to be for all authorized travel, subject to the restrictions provided herein, but shall not be made for expenses incurred at or between the City of SeaTac and the employee's/official's home.
- B. Reimbursement for alcoholic beverage expenses is strictly prohibited.
- C. Allowable lodging expenses are intended to include the basic commercial lodging rate or the "government rate", if available, any applicable sales taxes and/or hotel/motel taxes, and any mandatory hotel service charges. The City shall not reimburse or pay for lodging above the basic/lowest room type at a particular establishment (such as upgraded rooms). It shall be the responsibility of the employee/official to request of the lodging vendor a "government rate," if available, unless a lower rate for the same accommodations is available.
- D. Maximum meal allowances are intended to include the basic cost of a meal, any applicable sales tax, and any tip or gratuity not to exceed 20% of the total cost of the meal, and any expenses for applicable sales taxes or tips or gratuities shall not be otherwise reimbursed.
- E. Reimbursement for meal expenses shall not be authorized when an employee/official does not incur expenses for specific meals because the meals are furnished as a part of a meeting, seminar or conference.
- F. The Finance Director, as auditing officer for the City, shall not reimburse travel expenses that are in violation of this policy.

2. **LODGING, MEALS AND MILEAGE RATES**

The City maintains the following schedules that provide for maximum reimbursement rates for lodging, meals, and mileage for City employees/officials traveling on official City business:

A. LODGING

Lodging shall be approved and paid by the City for travel where the total distance (one way) is forty-five (45) miles or more from City Hall.

The maximum lodging rates shall be set with regard to geographic areas (Metropolitan Statistical Area or MSA) and the different rates available as follows:

- | | | |
|----|--|--------------------|
| 1. | General Maximum Lodging Rates | \$120.00 per night |
| 2. | Larger Metropolitan Areas
(Metropolitan Areas of 500,000
population or more) | \$150.00 per night |
| 3. | Largest Metropolitan Areas | \$200.00 per night |

(Metropolitan Areas of 1,000,000
population or more)

The above maximum lodging rates do not apply where lodging is tied to a specific hotel or motel or lodging accommodation in connection with the seminar, convention or meeting being attended, and the cost does not exceed 125% of the amount specified above.

The above lodging rates do not include taxes and other mandatory hotel service fees (such as hotel resort fees).

Internet Access Charges at Hotels. The City will reimburse an employee/official the cost of optional internet access charges at a lodging establishment when the employee/official can document the necessity of the use of the internet for business purposes. The total allowable reimbursement for hotel internet access charges shall not exceed \$12.00 per day plus applicable tax.

B. MAXIMUM MEAL ALLOWANCES

The meal costs for employees and officials of the City in connection with their city related travel shall be reimbursed, upon providing the City with a receipt for the meal(s), at the maximum daily total amount set forth below:

MAXIMUM DAILY TOTAL....\$ 64.00

The above daily amount applies to travel that extends beyond one day in duration (i.e. overnight lodging is included). In addition, the single meal rates for meetings and seminars, where the meal is not provided as a part of the meeting or seminar cost, shall be reimbursed at the single meal maximum schedule as follows: Breakfast (\$14.00), Lunch (\$20.00) and Dinner (\$30.00). In any such case where a receipt is not available, the maximum amount that the employee/official may be reimbursed would be the amount of the maximum single meal allowance set forth above up to the maximum allowed under Article VI of this policy. Questions, concerns or reviews and decisions on challenged or questionable reimbursement meal amounts shall be determined in the same manner as set forth in Section C of Article I related to pre-approval of travel. *Also see Article VI regarding the use of No Receipt Certification.*

Meal allowances shall not be reimbursed when meals are furnished to the employee/official as a part of the meeting, seminar or convention being attended. If some but not all of the meals are provided as part of the meeting, convention or seminar, the meal allowance reimbursement available to the employee/official shall be only available for the specific meals not included.

Multiple employees/officials on the same receipt. When employees/officials travel together, the employees/officials shall attempt to obtain separate receipts. However, if separate receipts cannot be obtained, the itemized receipt shall specifically attribute each item to a specific employee/official. When determining meal allowances, it is not permissible to “split the bill.” If a specific item is shared amongst employees/officials (such as an appetizer), it is permissible to divide the cost of the particular item amongst the employees/officials.

C. PRIVATE VEHICLE MILEAGE REIMBURSEMENT

The mileage reimbursement rate available for employees/officials using their own vehicles while on City related travel shall be the mileage reimbursement rate used by the Internal Revenue Service in effect at the time of the travel, or the cost of the lowest and reasonably attained, advance purchase coach class roundtrip airfare to the destination of the City-related travel, whichever is less.

ARTICLE IV: OTHER TRAVEL EXPENSES

1. **REIMBURSABLE TRANSPORTATION EXPENSES**

Reimbursable transportation expenses include all necessary official travel on airlines, buses, private motor vehicles, and other usual means of conveyance. Transportation cost shall be provided between City Hall and the site of the convention, seminar or meeting. However, if the employee/official travels directly between their home and the site of a convention, seminar, or meeting, the employee shall be reimbursed the cost of roundtrip travel from either City Hall or from the employee/official's home, whichever is less. For example:

- An employee who lives in Federal Way drives directly to a conference in Vancouver, Washington. The employee would be reimbursed for round trip mileage between their home and the conference site.
- An employee who lives in Federal Way drives directly to a conference in Bellingham, Washington. The employee would be reimbursed for round trip mileage between City Hall and the conference site.
- An employee who lives in Federal Way drives directly to a conference in Vancouver, Washington. The conference ends the following morning and the employee returns to City Hall midday. The employee would be reimbursed for round trip mileage between their home and the conference site. Mileage between the employee's home and City Hall is considered part of the commute and will not be reimbursed.

2. **MULTIPLE ATTENDEES**

Reimbursement for mileage is to be payable only to the city employee/official providing the vehicle used for the trip when two or more employees/officials are traveling in the same motor vehicle on the same trip. However, the fact that multiple attendees may share in transportation cost should be considered when determining the lowest cost of transportation.

3. **MISCELLANEOUS TRAVEL EXPENSES**

- A. Miscellaneous travel expenses essential to the transaction of official City business are reimbursable to the employee/official. Reimbursable expenses include, but are not limited to:

- (a) Taxi fares, motor vehicle rentals, parking fees, and ferry and bridge tolls. Under most circumstances, adequate ground transportation and shuttle services are available. These modes of transportation should be considered before renting a vehicle. For one person, a rental car is a very expensive mode of travel. As the number of persons sharing the ride increases, the more economical a rental car becomes. If there are no acceptable alternatives, motor vehicle rentals are reimbursable expenses with prior authorization as provided in Article I, Section C. Rental vehicles shall be used for official City business only, and only employees and officials covered by the City's insurance shall be authorized to drive any rented vehicle. Liability coverage through the City's insurance carrier is in effect when persons operate rental vehicles in the course of City business. The City's insurance policy also provides property coverage on a rental vehicle while the vehicle is in the employee/official's "care and custody". It is not necessary to purchase collision damage waiver insurance offered by rental car agencies. The City will not be responsible for the loss of personal items taken from a rental vehicle. Vehicle rentals for City business should be charged on a City credit card whenever possible, but the City's insurance coverage will extend to rentals secured with an employee/official's personal credit card.
 - (b) Registration fees required in connection with attendance at approved meetings, seminars or conventions.
 - (c) Telephone charges that are for City business. The number, person called and purpose of call should be noted on the lodging receipt.
 - (d) Tips and gratuities for other City-related business travel expenses such as taxi and airport shuttle drivers and airport luggage skycaps, not to exceed what is customary and reasonable for those services.
- B. Certain travel expenses are considered as personal and not essential to the transaction of official City business and therefore not reimbursable. Such non-reimbursable expenses include, but are not limited to:
- 1. Valet services, entertainment expenses, radio or television rental, and other items of a similar nature. Valet services are defined as the hiring of a personal attendant who takes care of the individual's clothes, or helps the individual in dressing, etc.
 - 2. Taxi fares, motor vehicle rental, and other transportation costs to or from places of entertainment and other similar facilities.
 - 3. Costs of personal trip insurance and medical and hospital services.
 - 4. Personal telephone calls of an employee/official, except to the home of the employee/official where a brief call is made to advise members of the family of the employee/official of a change in travel plans, and except for not more than one brief call each day during City-travel related absence, where the

absence is for a period of at least two full days, to the employee's/official's home to check on the employee's/official's family.

5. Personal expenses, such as personal entertainment, vehicle rentals for other than City related activities, barbers, hairdressers, etc.
6. Any tips or gratuities associated with personal expenses.

ARTICLE V: CITY CREDIT CARD USE

1. PURPOSE OF CITY CREDIT CARDS FOR TRAVEL EXPENSES

The purpose of City credit cards for travel expenses is to provide an employee/official an alternative method to pay for allowable expenses incurred while traveling on City business other than reimbursement to the employee/official after the travel is completed.

Elected officials of the City are provided individual credit cards issued in their name. Whenever it becomes necessary for an employee or appointed official of the City to travel and incur reimbursable expenses, the City shall provide a credit card for all expenses incurred as a result of that travel. The regulations for reimbursement of transportation expenses listed in Article II of this travel policy apply to expenses incurred with a City credit card. The regulations for reimbursement of meal and lodging expenses listed in Article III of this travel policy apply to expenses incurred with a City credit card. Also, the regulations for employee/official reimbursement for other travel expenses listed in Article IV of this travel policy apply to expenses incurred with a City credit card.

2. CREDIT CARD USE PROCEDURES

- A. The employee/appointed official shall present the *City of SeaTac Travel/Purchase Authorization and City Credit Card Form* with the Travel/Purchase Pre-Approval Section completed to the Accounting Supervisor (or designee) in the Finance Department to obtain a credit card. The City Manager is required to sign where provided in the Travel/Purchase Pre-Approval Section for Department Director travel and, in addition to Department Director approval, for all other employees where the estimated travel cost will exceed \$350.00. Department Directors are required to sign for all employees in their department. The City Manager shall be informed of any employee travel requiring an overnight stay.
- B. The employee/appointed official shall initial the City Credit Card logbook, acknowledging taking possession of the credit card. The employee/official is responsible for taking appropriate safety measures with the credit card while in his/her possession.
- C. A credit card number may be obtained from the Finance Department to purchase airline tickets and make lodging reservations over the telephone. A *City of SeaTac Travel/Purchase Authorization and City Credit Card Form* shall be completed and the required approval and signature obtained prior to the purchase of tickets or securing lodging reservations. If the tickets are purchased and/or the lodging is charged to the credit card by the hotel/motel a month or more in advance of the

actual commencement of travel, the employee/official should complete the form and attach the receipts to it in order to expedite payment to the credit card company. A second form should then be initiated and used for the expenses incurred during the actual period of travel, as these expenses will most likely be charged during a later billing period. Under no circumstances should a credit card number previously obtained from the Finance Department be used again without its use being recorded in the City Credit Card logbook in accordance with Section B above.

- D. The employee/official is required to request and retain itemized receipts for all expenses incurred using the City credit card during the period of travel. Itemized receipts from restaurants with a listing of each food and beverage selection are required, as well as itemized receipts from lodging establishments. Any other travel expenses incurred and charged to the City credit card shall be supported by an itemized receipt, clearly indicating the nature of the expenditure. If an itemized receipt is not available from a given establishment, the employee/official shall complete a *No-Receipt/No Itemized Receipt Certification* form, stating the cost of the expense and reasons for unavailability of a detailed receipt. The customer copy of the credit card transaction receipt shall be retained in addition to the itemized receipts noted above.
- E. The credit card and the completed *City of SeaTac Travel/Purchase Authorization and Credit Card Form* with actual expenses incurred and the corresponding BARS line-item numbers shall be provided to the Finance Department within 15 working days of the expenditure or within 15 working days of the return of the employee or public official from the City travel, whichever occurs later. The back of this form shall be completed and used to provide a daily accounting of the credit card use. All receipts, providing supporting documentation for the total expenses incurred during the period of travel, shall be attached to the form. The City Manager is required to sign where provided in the Actual Expenses Incurred Section for Department Director travel. Department Directors are required to sign for all employees in their department. The City Manager shall be informed of any actual travel expenses incurred that substantially exceeded the estimated amount approved for such travel.
- F. The use of a City credit card to charge non-city business related expenditures is strictly prohibited.
- G. If the City credit card is lost or stolen while in the possession of the employee/official, he/she shall immediately notify the credit card company and file a lost/stolen credit card report. The phone number of the credit card company, the account number of the issued credit card and the City's tax identification number will be provided to the employee/official on a small information card to be kept separate from the credit card. In addition, the employee/official shall notify the City's Finance Department of the lost/stolen credit card, and confirm that the credit card company has been notified.
- H. Pursuant to RCW 42.24.115, the City shall establish a lien against an employee/official salary for any charges made with a City issued credit card that is not properly identified or is disallowed, unless paid by the employee/official prior to the date the credit card billing is due and payable.

ARTICLE VI: NO RECEIPT CERTIFICATION

1. MAXIMUM ALLOWABLE AMOUNT PER CALENDAR YEAR

- A. The purpose of a no receipt certification is to provide a means of reimbursement when a receipt is not available. It is not intended to be used for lost receipts, or as a substitute for providing itemized receipts to the City. However, it is understood that receipts can be lost or misplaced from time to time, and reimbursement for these expenses would be appropriate.
- B. The maximum amount that any employee/official may submit to the City for reimbursement without providing a detailed, itemized receipt is \$30.00 per calendar year. Any expenses in excess of \$30.00 per calendar year that are not substantiated with an itemized, detailed receipt shall not be reimbursed.
- C. This Article VI shall not apply to gratuities for services such as bellhop or hotel maid service.

CITY OF SEATAC TRAVEL/PURCHASE AUTHORIZATION AND CITY CREDIT CARD FORM

Employee/Official Name: _____ Department: _____

City Credit Card #: _____ Date Needed: _____ Date Returning: _____

TRAVEL/PURCHASE PRE-APPROVAL SECTION

Destination: _____

Purpose: _____

Dates of Travel
 From: _____ To: _____

Estimated <u>Total</u> Expenses of Travel/Purchase:	BARS Account Numbers	
Transportation \$ _____	_____	_____
Lodging \$ _____	_____	_____
Meals \$ _____	_____	_____
Registration \$ _____	_____	_____
Telephone \$ _____	_____	_____
Other (Please Specify): _____	_____	_____
_____ \$ _____	_____	_____
Total Estimated Expenses \$ _____	_____	_____

Is this expenditure budgeted? Yes No _____ Employee/Official Signature Date	Approvals:	
	_____ Department Head Signature Date _____ City Manager Signature Date (Required for Department Head and, in addition to Department Head approval, for all other employees where the estimated travel/purchase cost will exceed \$350.00)	_____ _____ _____

ACTUAL EXPENSES INCURRED SECTION

Actual Expenses:	BARS Account Numbers	
Transportation \$ _____	_____	_____
Lodging \$ _____	_____	_____
Meals \$ _____	_____	_____
Registration \$ _____	_____	_____
Telephone \$ _____	_____	_____
Other (Please Specify): _____	_____	_____
_____ \$ _____	_____	_____
Total Actual Expenses \$ _____*	_____	_____

* This amount must equal the total amount charged to the credit card during the time it has been in your possession and reconcile with the total on the reverse side of this form.

Please attach all DETAILED receipts to this form when returning City credit card.

I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me for City business purposes. _____ Employee/Official Signature Date	Approval:	
	_____ City Manager/Department Head Date Signature	_____ _____

CITY CREDIT CARD EXPENSE DETAIL

Date	Purpose of Trip/ Destination (if applicable)	Telephone	Lodging	Meals	Transportation	Registration	Meeting Meals	Office/ Operating Supplies	Small Tools & Equipment	Total Daily Expenses
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Total		\$	\$	\$	\$	\$	\$	\$	\$	\$

REMINDERS:

- 1) Detailed receipts must be provided (i.e. food and beverage selections, number of people served, etc.)
- 2) Reimbursement for meals is not allowed if specific meals are provided as part of a meeting, seminar or conference.
- 3) Single meal maximum allowance for meetings and seminars is \$14 for breakfast, \$20 for lunch and \$30 for dinner, including tip or gratuity.
- 4) Total maximum meal allowance per day is \$64, including tips or gratuities. Tip or gratuity not to exceed 20% of the total cost of meals.
- 5) Total listed above must reconcile with total listed on front of form.
- 6) Please refer to the *City of SeaTac Travel Policies, Regulations and Procedures* for additional information.

CITY OF SEATAC TRAVEL/PURCHASE AUTHORIZATION AND EXPENSE CLAIM FORM

Employee/Official Name: _____ Vendor Number: _____

Department/Division: _____ Date of Request: _____

TRAVEL/PURCHASE PRE-APPROVAL SECTION

Destination: _____

Purpose: _____

Dates of Travel

From: _____

To: _____

Estimated Total Expenses of Travel/Purchase: _____

BARS Account Numbers _____

Transportation \$ _____

Lodging \$ _____

Meals \$ _____

Registration \$ _____

Telephone \$ _____

Other (Please Specify): _____

_____ \$ _____

Total Estimated Expenses \$ _____

Approvals:

Is this expenditure budgeted? Yes No

Department Head Signature Date

Employee/Official Signature Date

City Manager Signature Date

(Required for Department Head and, in addition to Department Head approval, for all other employees where the estimated travel/purchase cost will exceed \$350.00)

ACTUAL EXPENSES INCURRED SECTION

Actual Expenses:

BARS Account Numbers _____

Transportation \$ _____

Lodging \$ _____

Meals \$ _____

Registration \$ _____

Telephone \$ _____

Other (Please Specify): _____

_____ \$ _____

Total Actual Expenses \$ _____*

* This amount must reconcile with the total on the reverse side.

Please attach all DETAILED receipts to this form when submitting for reimbursement.

I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me for City business purposes.

Approval:

Employee/Official Signature Date

City Manager/Department Head Date
Signature

PERSONAL REIMBURSEMENT EXPENSE DETAIL

Date	Purpose of Trip/ Destination (if applicable)	Total Miles	Mileage Reimburse- ment	Telephone	Lodging	Meals	Transportation	Registration	Meeting Meals	Office/ Operating Supplies	Small Tools & Equipment	Total Daily Expenses
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

REMINDERS:

- 1) Detailed receipts must be provided (i.e. food and beverage selections, number of people served, etc.)
- 2) Reimbursement for meals is not allowed if specific meals are provided as part of a meeting, seminar or conference.
- 3) Single meal maximum allowance for meetings and seminars is \$14 for breakfast, \$20 for lunch and \$30 for dinner, including tip or gratuity.
- 4) Total maximum meal allowance per day is \$64, including tips or gratuities. Tip or gratuity not to exceed 20% of the total cost of meal.
- 5) Total listed above must reconcile with total listed on front of form.
- 6) Please refer to the *City of SeaTac Travel Policies, Regulations and Procedures* for additional information.

TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

APRIL 13, 2023



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

To amend the current travel policies

WHY IS THIS ISSUE IMPORTANT?

1. The current policy was last amended in 2010.
2. The current policy is hard to read and interpret, therefore hard to ensure compliance.
3. The forms are confusing, and many hours are spent to filling them out and auditing them for compliance with the policy.



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED:

Forward Agenda Bill 6184 Amending the City's Travel Policies, Procedures, and Regulations to the Full City Council for approval on the 4/25/2023 Consent Agenda.

STAFF RECOMMENDATION:

Approval of policy as presented.

REVIEWS TO DATE:

Administration & Finance Committee April 13, 2023

HISTORY

Current Policy

- Adopted January 12, 2010
- Difficult to read and interpret
- Many hours are spent by employees filling out forms
- Many hours are spent by finance staff ensuring forms are filled out correctly and proper documentation is provided

Creation of Proposed Policy

- A committee of 12 employees met once a month for the last year
- Goal to create a policy that is easy to read and follow
- Identified pain points
- Researched laws, rules, and best practices
- Reviewed other city policies



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

General Changes

- Policy Layout
 - Easy to read
 - Table of contents and links within policy to assist in locating information
- Definitions
 - Provided for clarity and assist users with terms used throughout the policy
- Ineligible Expenses
 - Provides an easy-to-read list of items that will not be reimbursed



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Approval for Travel Current Policy
 - Pre-Approval section of Pink Form is filled out before travel
 - Documentation is to be provided
 - Approval authorized by Department Director and City Manager if travel over \$350
- Pain Points
 - Forms are confusing and often filled out wrong
 - What constitutes proper documentation is not clear
 - One cannot travel for under \$350 so City Manager is signing everything
- Proposed Policy
 - New forms with directions provided
 - Pre-Approval will be authorized at the Authorized Signer level
 - Treasury Operations Manager will approve pre-approval to ensure compliance before travel occurs



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Lodging for Travel Current Policy
 - 45 miles from City Hall
 - Maximum Rates of \$120 to \$200
- Pain Points
 - Travel time around Puget Sound has increased
 - Some have a 1-hour commute and then travel to the conference site for another hour making for an excessive commute for a two- or three-day conference
 - Hotel costs have increased over the last 13 years
- Proposed Policy
 - Increase miles to 50 from City Hall or travelers' residence
 - Use GSA for lodging
 - Indexed to location
 - Updated annually to keep up with inflation



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Meals Current Policy
 - Specific meal allowances requiring detailed receipts
 - \$64 daily rate (Breakfast \$14, Lunch \$20, Dinner \$30)
- Pain Points
 - Costs have increased since 2010 hard to eat on established meal rates depending on location
 - Detailed receipts are often not provided or get crushed
 - Thermal paper fades over time rendering the receipt unreadable
 - Treasury Manager spends hours reconciling receipts and following up with employees



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Meals Proposed Policy
 - Use GSA for Per Diem
 - Indexed to location
 - Updated annually to keep up with inflation
 - Reimbursed after return from travel
 - Ensure travel occurred and meals were not provided
 - Receipts no longer required
 - Can no longer use P-Card to pay for meals



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Transportation Current Policy
 - Addressed in two paragraphs
- Pain Points
 - Transportation requirements are not clear
 - Use of various modes of transportation are not clear
- Proposed Policy
 - Various modes of transportation are address and when it is appropriate to use
 - Air travel
 - Bus travel
 - Train travel
 - Ferry fees and tolls
 - TNC charges
 - Car rentals
 - Parking fees



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- International Travel Current Policy
 - Not addressed
- Pain Points
 - Unclear is it is appropriate to travel outside of the United States
 - Conferences can occur outside of the U.S. if it is an international association
- Proposed Policy
 - Approval by City Manager for Employees
 - Approval by A&F for City Manger and Council



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Combining Personal and Business Travel Current Policy
 - City will pay and employee will reimburse the city
- Pain Points
 - City should not pay for family members to travel and then be reimbursed
- Proposed Policy
 - Traveler can pay for all travel and then request claim for expense for city portion
 - Family members must be paid for separately



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Claim and Approval Procedures Current Policy
 - One paragraph provided on how to submit for travel expenses
 - Instructions interspersed within policy language
 - Credit card procedures are provided
- Pain Points
 - Hard to find requirements
 - Credit card procedures are out of date
 - Forms are confusing;
 - Which color to submit for what expense
 - When to copy form
 - When to complete preapproval on a different color form
 - What documentation is required
 - What to provide when actual cost exceeds estimate
 - Auditing is time consuming



TRAVEL POLICIES, PROCEDURES, AND REGULATIONS AMENDMENT

Substantive Changes

- Claim and Approval Procedures Proposed Policy
 - New forms
 - Instructions on how to complete forms based on payment method



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED:

Forward Agenda Bill 6184 Amending the City's Travel Policies, Procedures, and Regulations to the Full City Council for approval on the 4/25/2023 Consent Agenda.

STAFF RECOMMENDATION:

Approval of policy as presented.

REVIEWS TO DATE:

Administration & Finance Committee April 13, 2023

RESOLUTION NO. _____

A RESOLUTION of the City Council of the City of SeaTac, Washington, amending and revising the City of SeaTac Travel Policies

WHEREAS, in connection with the municipal operations and functions of the City of SeaTac, there are occasions when staff members, elected officials, or authorized non-staff members are required to travel on City business; and,

WHEREAS, in order to provide for a system of orderly processing of travel expenses the City Council adopted Resolution 10-004, City of SeaTac Travel Policies, Regulations and Procedures, identifying the parameters and procedures for handling of travel expenses, and as amended by subsequent resolutions in 1999, 2003, 2005, 2008, and 2010; and,

WHEREAS, the Travel Policies, Regulations and Procedures, as amended, warrant additional adjustments and changes to more fully meet the needs of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. The City of SeaTac Travel Policies, Regulations, and Procedures are hereby amended, as set forth in Exhibit A.

PASSED this _____ day of _____, 2023, and signed in authentication thereof on this _____ day of _____, 2023.

CITY OF SEATAC

Jake Simpson, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to form:

Mary E. Mirante Bartolo, City Attorney

[2023 Travel Policies, Regulations, and Procedures Amendments]



MEMORANDUM

To: Administration & Finance Committee
Through: Carl Cole, City Manager
From: Brion Humenay, Senior Management Analyst
Date: April 13, 2023
Re: Consultant Services contract with Klinge & Associates, Inc. for the procurement of construction services for a Tenant Improvement of the Police substation.

Purpose:

Request Committee approval to forward to City Council an ordinance authorizing the City Manager to enter a contract with Klinge & Associates Inc. for construction services for the Police substation and amend the 2023-2024 Biennial Budget to fully fund the contract amount with a 10% contingency for a total amount of \$440,732.61 for that purpose.

Background:

The 2021-2022 Biennial Budget allocated \$164,995 for tenant improvements for build out of an office space for a Police substation on the North side of the City, located within the Polaris development at 15300 33rd Avenue South. The tenant improvements were projected to include the cost of installing electrical, plumbing, HVAC, and other finishing work. This budget allocation was carried forward into the 2023-2024 Biennial Budget.

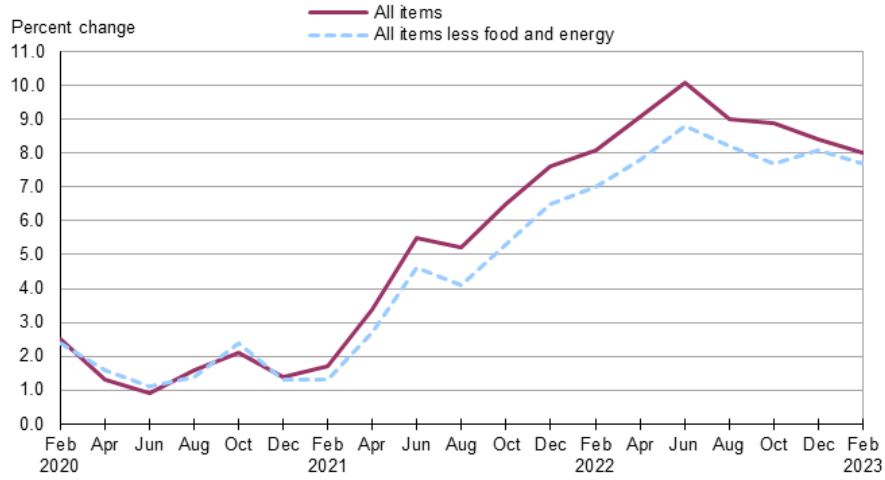
On January 30th, 2023, the City executed a lease agreement with Sunset Management, Inc. for the office space. The lease agreement included a stipend of \$62,600 that will be provided by Sunset Management, Inc. for tenant improvements within the office space. This stipend will be provided to the City 30 days after the completion of the tenant improvements.

The original project budget for the build out of this office space estimated the cost of tenant improvements to be around \$175 per square foot. After conducting a formal Request for Proposal process, the lowest bids the City received projected the cost at \$352 per square foot.

There are two main reasons for this increase. First, the finishing work includes work that was not fully accounted for at the start of project. Costs that were not originally projected include concrete floor installation and security enhancements unique to the needs of the Police Department. Second, over the last year the cost of construction services has risen along with the price of goods, with the Consumer Price Index in the region up 8% over this period (See Figure 1).

Over the last 12 months, the CPI-U advanced 8.0 percent. (See [chart 1](#) and [table A](#).) Food prices increased 10.4 percent. Energy prices rose 7.1 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy increased 7.7 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Seattle-Tacoma-Bellevue, WA, February 2020–February 2023



Source: U.S. Bureau of Labor Statistics.

Figure 1

After a competitive process, the City has selected Klinge and Associates Inc as its preferred vendor to perform all design and construction services for this tenant improvement.

Budget:

The request is for a professional services contract for an amount not to exceed \$440,732.61, which allows for a ten percent contingency fund. There is sufficient funding in the Facilities Construction CIP Fund (306) to increase budgeted expenditures for professional services.

Recommendation:

1. Forward to Council on consent agenda with a recommendation of approval authorizing the City Manager to enter a contract with Klinge & Associates Inc. for construction services for the Police substation and amend the 2023-2024 Biennial Budget to fully fund the contract amount for a total amount of \$440,732.61 for that purpose.

PUBLIC WORKS AGREEMENT

between City of SeaTac and Klinge and Associates for Polaris Police Sub-station

THIS AGREEMENT is made by and between the City of SeaTac, a Washington municipal corporation (hereinafter the "City"), and Klinge and Associates organized under the laws of the State of Washington, located and doing business at PO BOX 866, Kirkland Wa 98083, (206) 793-2394 (hereinafter the "Contractor").

AGREEMENT

The parties agree as follows:

I. DESCRIPTION OF WORK.

Contractor shall perform the following services for the City in accordance with the following described plans and/or specifications:

1. Intent

The intent of these specifications is to describe and cover all labor, equipment, materials, and services necessary to provide construction of tenant improvement for a Police Substation located within the Polaris Development at 15300 33rd Ave S., SeaTac, WA 98188 see attachment A

2. Project Description

A. The City of SeaTac will lease a commercial/retail space within the new Polaris Development to implement a new community-facing police substation. This office space will serve as additional office space for community police services and provide the community with a secure space to hold small community meetings to be facilitated by the police department for police related activities.

B. Construct tenant improvement for the office space of approximately 1,252 square feet located within ground floor commercial/retail space

3. General Design Build Scopes of Services

A. Pre-Construction Services

The Contractor shall participate in Pre-Construction Services that, in general, shall include but not be limited to the following:

- In conjunction with the Client, immediately identify the Project requirements
- Review lease agreement to identify performance standards
- Develop cost estimates for Scope of Work
- Obtain required permitting
- Meet with and obtain design approval from Lessor

Refer to Attachment B for Concept of Suite Design

B. Construction Services

The Contractor will furnish all labor, tools, specialized equipment, materials, and supervision to perform these services The Contractor shall construct the work according to the construction documents and specifications within the scheduled time frame agreed to with the Client. The Construction services shall include but not be limited to the following:

- Office build-out (interior wall installation, doors and casings, etc.)
- Interior finishing (sheetrock, filling and insulation, painting, fixtures, flooring, etc.)
- Electrical installation (Panel, switches, lighting, wiring, etc.)
- Plumbing installation (water and sewage from Stub)
- Mechanical (Piping, ductwork, exhaust/intake, HVAC, etc.)
- Fire Protection Distribution (sprinklers, alarms, sensors, and detectors)

- Low Voltage Systems (phone, data, etc.)
- Security System Installation (Cameras, alarms, panic buttons, and key pads)
- Life Saving AED (Wall mount, re-use)
- Office Signage
- Cleanup

Please refer to Attachment C for City Responsibilities for Tenant Improvement According to Lease Agreement

Contractor further represents that the services furnished under this Agreement will be performed in accordance with generally accepted professional practices within the Puget Sound region in effect at the time such services are performed.

II. TIME OF COMPLETION. It is agreed that the work covered by this Agreement shall be completed in all respects within 180 working days from the date of the Notice to Proceed. It is further agreed that the CITY will suffer damage and be put to additional expense in the event that the CONTRACTOR shall not have the work completed in all respects and ready for use on or prior to the completion dated stated. As it is difficult to accurately compute the amount of such costs and damages, the CONTRACTOR hereby covenants and agrees to pay to the CITY the liquidated damages OF \$250.00 for each and every working day required to accomplish “Substantial Completion” of the work beyond the period above fixed. It is hereby agreed that the above amount shall be deducted from payment due the CONTRACTOR or deducted from any sums retained for benefit of employees, subcontractors or suppliers (provided the CITY’s claim shall be subject to claims filed against the retained sums).

III. COMPENSATION. The City shall pay the Contractor a total amount not to exceed \$440,732.61 for the work and services contemplated in this agreement. This amount includes a 10% contingency and taxes are included. The Contractor shall use progress payments or invoice the City upon project completion. The City will pay for the portion of the work described in the invoice that has been completed by the Contractor and approved by the City. The City’s payment shall not constitute a waiver of the City’s right to final inspection and acceptance of the project.

A. Performance Bond. Pursuant to Chapter 39.08 RCW, the Contractor, shall provide the City a performance bond for the full contract amount to be in effect until sixty (60) days after the date of final acceptance, or until receipt of all necessary releases from the State Department of Revenue and the State Department of Labor and Industries and until settlement of any liens filed under Chapter 60.28 RCW, whichever is later.

B. Retainage. The City shall hold back a retainage in the amount of five percent (5%) of any and all payments made to contractor for a period of sixty (60) days after the date of final acceptance, or until receipt of all necessary releases from the State Department of Revenue and the State Department of Labor & Industries and until settlement of any liens filed under Chapter 60.28 RCW, whichever is later. The amount retained shall be placed in a fund by the City pursuant to RCW 60.28.011(4)(a), unless otherwise instructed by the Contractor within fourteen (14) calendar days of Contractor’s signature on the Agreement.

C. Defective or Unauthorized Work. The City reserves its right to withhold payment from Contractor for any defective or unauthorized work. Defective or unauthorized work includes, without limitation: work and materials that do not conform to the requirements of this Agreement; and extra work and materials furnished without

the City's written approval. If Contractor is unable, for any reason, to satisfactorily complete any portion of the work, the City may complete the work by contract or otherwise, and Contractor shall be liable to the City for any additional costs incurred by the City. "Additional costs" shall mean all reasonable costs, including legal costs and attorney fees, incurred by the City beyond the maximum Contract price specified above. The City further reserves its right to deduct the cost to complete the Contract work, including any Additional Costs, from any and all amounts due or to become due the Contractor.

C. Final Payment: Waiver of Claims. THE CONTRACTOR'S ACCEPTANCE OF FINAL PAYMENT (EXCLUDING WITHHELD RETAINAGE) SHALL CONSTITUTE A WAIVER OF CONTRACTOR'S CLAIMS, EXCEPT THOSE PREVIOUSLY AND PROPERLY MADE AND IDENTIFIED BY CONTRACTOR AS UNSETTLED AT THE TIME FINAL PAYMENT IS MADE AND ACCEPTED.

IV. INDEPENDENT CONTRACTOR. The parties intend that an Independent Contractor-Employer Relationship will be created by this Agreement and that the Contractor has the ability to control and direct the performance and details of its work, the City being interested only in the results obtained under this Agreement.

V. TERMINATION. The City may terminate this Agreement for good cause. "Good cause" shall include, without limitation, any one or more of the following events:

- A. The Contractor's refusal or failure to supply a sufficient number of properly skilled workers or proper materials for completion of the Contract work.
- B. The Contractor's failure to complete the work within the time specified in this Agreement.
- C. The Contractor's failure to make full and prompt payment to subcontractors or for material or labor.
- D. The Contractor's persistent disregard of federal, state or local laws, rules or regulations.
- E. The Contractor's filing for bankruptcy or becoming adjudged bankrupt.
- F. The Contractor's breach of any portion of this Agreement.

If the City terminates this Agreement for good cause, the Contractor shall not receive any further money due under this Agreement until the Contract work is completed. After termination, the City may take possession of all records and data within the Contractor's possession pertaining to this project which may be used by the City without restriction.

VI. PREVAILING WAGES. Contractor shall file a "Statement of Intent to Pay Prevailing Wages," with the State of Washington Department of Labor & Industries prior to commencing the Contract work. Contractor shall pay prevailing wages in effect on the date the bid is accepted or executed by Contractor, and comply with Chapter 39.12 of the Revised Code of Washington, as well as any other applicable prevailing wage rate provisions. Use April 6, 2023 rates for Washington State, King County. A copy of the applicable wage rates is available for viewing in our office. A hard copy of the applicable wage rates will be mailed upon request.

VII. CHANGES. The City may issue a written change order for any change in the Contract work during the performance of this Agreement. If the Contractor determines, for any reason, that a change order is necessary, Contractor must submit a written change order request to the person listed in the notice provision section of this Agreement, section XV(D), within fourteen (14) calendar days of the date Contractor knew or should have known of the facts and events giving rise to the requested change. If the City determines that the change increases or decreases the Contractor's costs or time for performance, the City will make an equitable adjustment. The City will attempt, in good faith, to reach agreement with the Contractor on all equitable adjustments. However, if the parties are unable to agree, the City will determine the equitable adjustment as it deems appropriate. The Contractor shall proceed with the change order work upon receiving either a written change order from the City or an oral order from the City before actually receiving the written change order. If the Contractor fails to require a change order within the time specified in this paragraph, the Contractor waives its right to make any claim or submit subsequent change order requests for that portion of the contract work. If the Contractor disagrees with the equitable adjustment, the Contractor must complete the change order work; however, the Contractor may elect to protest the adjustment as provided in subsections A through E of Section VIII, Claims, below.

The Contractor accepts all requirements of a change order by: (1) endorsing it, (2) writing a separate acceptance, or (3) not protesting in the way this section provides. A change order that is accepted by Contractor as provided in this section shall constitute full payment and final settlement of all claims for contract time and for direct, indirect and consequential costs, including costs of delays related to any work, either covered or affected by the change.

VIII. CLAIMS. If the Contractor disagrees with anything required by a change order, another written order, or an oral order from the City, including any direction, instruction, interpretation, or determination by the City, the Contractor may file a claim as provided in this section. The Contractor shall give written notice to the City of all claims within fourteen (14) calendar days of the occurrence of the events giving rise to the claims, or within fourteen (14) calendar days of the date the Contractor knew or should have known of the facts or events giving rise to the claim, whichever occurs first. Any claim for damages, additional payment for any reason, or extension of time, whether under this Agreement or otherwise, shall be conclusively deemed to have been waived by the Contractor unless a timely written claim is made in strict accordance with the applicable provisions of this Agreement.

At a minimum, a Contractor's written claim shall include the information set forth in subsections A, items 1 through 5 below.

FAILURE TO PROVIDE A COMPLETE, WRITTEN NOTIFICATION OF CLAIM WITHIN THE TIME ALLOWED SHALL BE AN ABSOLUTE WAIVER OF ANY CLAIMS ARISING IN ANY WAY FROM THE FACTS OR EVENTS SURROUNDING THAT CLAIM OR CAUSED BY THAT DELAY.

- A. Notice of Claim. Provide a signed written notice of claim that provides the following information:
1. The date of the Contractor's claim;
 2. The nature and circumstances that caused the claim;
 3. The provisions in this Agreement that support the claim;
 4. The estimated dollar cost, if any, of the claimed work and how that estimate was determined; and
 5. An analysis of the progress schedule showing the schedule change or disruption if the Contractor is asserting a schedule change or disruption.

- B. Records. The Contractor shall keep complete records of extra costs and time incurred as a result of the asserted events giving rise to the claim. The City shall have access to any of the Contractor's records needed for evaluating the protest.

The City will evaluate all claims, provided the procedures in this section are followed. If the City determines that a claim is valid, the City will adjust payment for work or time by an equitable adjustment. No adjustment will be made for an invalid protest.

- C. Contractor's Duty to Complete Protested Work. In spite of any claim, the Contractor shall proceed promptly to provide the goods, materials and services required by the City under this Agreement.
- D. Failure to Protest Constitutes Waiver. By not protesting as this section provides, the Contractor also waives any additional entitlement and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).
- E. Failure to Follow Procedures Constitutes Waiver. By failing to follow the procedures of this section, the Contractor completely waives any claims for protested work and accepts from the City any written or oral order (including directions, instructions, interpretations, and determination).

IX. LIMITATION OF ACTIONS. CONTRACTOR MUST, IN ANY EVENT, FILE ANY LAWSUIT ARISING FROM OR CONNECTED WITH THIS AGREEMENT WITHIN 120 CALENDAR DAYS FROM THE DATE THE CONTRACT WORK IS COMPLETE OR CONTRACTOR'S ABILITY TO FILE THAT CLAIM OR SUIT SHALL BE FOREVER BARRED. THIS SECTION FURTHER LIMITS ANY APPLICABLE STATUTORY LIMITATIONS PERIOD.

- X. This section intentionally left blank.

XI. DISCRIMINATION. In the hiring of employees for the performance of work under this Agreement or any sub-contract, the Contractor, its sub-contractors, or any person acting on behalf of the Contractor or sub-contractor shall not, by reason of race, religion, color, sex, age, sexual orientation, national origin, or the presence of any sensory, mental, or physical disability, discriminate against any person who is qualified and available to perform the work to which the employment relates.

XII. INDEMNIFICATION. Contractor shall defend, indemnify and hold the City, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits, including all legal costs and attorney fees, arising out of or in connection with the Contractor's performance of this Agreement, except for that portion of the injuries and damages caused by the City's sole negligence.

The City's inspection or acceptance of any of Contractor's work when completed shall not be grounds to avoid any of these covenants of indemnification.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, agents and volunteers, the Contractor's liability hereunder shall be only to the extent of the Contractor's negligence.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE CONTRACTOR'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES

OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER.

The provisions of this section shall survive the expiration or termination of this Agreement.

XIII. INSURANCE. The Contractor shall procure and maintain insurance as outlined below for the duration of this Agreement. Any Commercial General Liability and Automobile Liability insurance policies obtained shall be underwritten by insurance companies which have an A.M. Best's rating of A VII or better, licensed to do business in the State of Washington. Liability insurance policies shall specifically name the City, its elected or appointed officials, officers, employees and volunteers as *Primary-Non-Contributory Additional Insureds* of said policies.

The Contractor shall not begin work under the Agreement until all required insurance has been obtained and until such insurances have been received by the City. The Contractor shall file with the City a certificate of insurance evidencing that the policies are in force. The certificate shall be accompanied by policy endorsements as are necessary to comply with these requirements.

The types and limits insurance are as follows:

COMMERCIAL GENERAL LIABILITY-Comprehensive Form

\$2,000,000 aggregate.

Coverage to include Premise and Operations Liability

Blanket Contractual

OCP for subcontractors liability

Product and Completed Operations Liability

Stop Gap Liability-\$1,000,000/\$1,000,000/\$1,000,000

Primary-Non Contributory Additional Insured coverage for the City et.al.

AUTOMOBILE LIABILITY

\$2,000,000 per accident bodily injury and property damage liability, including any owned, hired or non-owned automobile.

WORKER'S COMPENSATION

Employees of Contractor and Subcontractors are to be insured under Washington State Industrial Insurance.

The General Aggregate provision of the Contractor's insurance policies shall be amended to show that the General Aggregate Limit of the policies applies separately to this contract.

Failure of the Contractor to fully comply with the requirements regarding insurance will be considered a material breach of contract and shall be cause for immediate termination of the contract.

XIV. WORK PERFORMED AT CONTRACTOR'S RISK. Contractor shall take all necessary precautions and shall be responsible for the safety of its employees, agents, and subcontractors in the performance of the contract work and shall utilize all protection necessary for that purpose. All work shall be done at Contractor's own risk, and Contractor shall be responsible for any loss of or damage to materials, tools, or other articles used or held for use in connection with the work.

The Contractor shall also be solely and completely responsible for safety and safety conditions on the job site, including the safety of all persons and property during performance of the work. The services of City employees or the engineer's personnel in conducting construction review of the Contractor's performance is not intended to include review of the adequacy of the Contractor's work methods, equipment, bracing, scaffolding or trenching, or safety measures in, on or near the construction site. The

Contractor shall provide safe access for the City and its inspectors to adequately inspect the quality of work and the conformance with project specifications.

XV. MISCELLANEOUS PROVISIONS.

A. Recyclable Materials. The City recommends that its contractors and consultants use recycled and recyclable products whenever practicable.

B. Non-Waiver of Breach. The failure of the City to insist upon strict performance of any of the covenants and agreements contained in this Agreement, or to exercise any option conferred by this Agreement in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements or options, and the same shall be and remain in full force and effect.

C. Resolution of Disputes and Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If the parties are unable to settle any dispute, difference or claim arising from the parties' performance of this Agreement, the exclusive means of resolving that dispute, difference or claim, shall only be by filing suit exclusively under the venue, rules and jurisdiction of the King County Superior Court, King County, Washington, Maleng Regional Justice Center, unless the parties agree in writing to an alternative dispute resolution process. In any claim or lawsuit for damages arising from the parties' performance of this Agreement, each party shall pay all its legal costs and attorney's fees incurred in defending or bringing such claim or lawsuit, including all appeals, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the City's right to indemnification under Section XII of this Agreement.

D. Written Notice. All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the Agreement, unless notified to the contrary. Any written notice hereunder shall become effective three (3) business days after the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.

E. Assignment. Any assignment of this Agreement by either party without the written consent of the non-assigning party shall be void. If the non-assigning party gives its consent to any assignment, the terms of this Agreement shall continue in full force and effect and no further assignment shall be made without additional written consent.

F. Modification. No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of the City and Contractor.

G. Entire Agreement. The written provisions and terms of this Agreement, together with any Exhibits attached hereto, shall supersede all prior verbal statements of any officer or other representative of the City, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Agreement. All of the above documents are hereby made a part of this Agreement. However, should any language in any of the Exhibits to this Agreement conflict with any language contained in this Agreement, the terms of this Agreement shall prevail.

H. Compliance with Laws. The Contractor agrees to comply with all federal, state, and municipal laws, rules, and regulations that are now effective or in the future become applicable to Contractor's business, equipment, and personnel engaged in operations covered by this Agreement or accruing out of the performance of those operations.

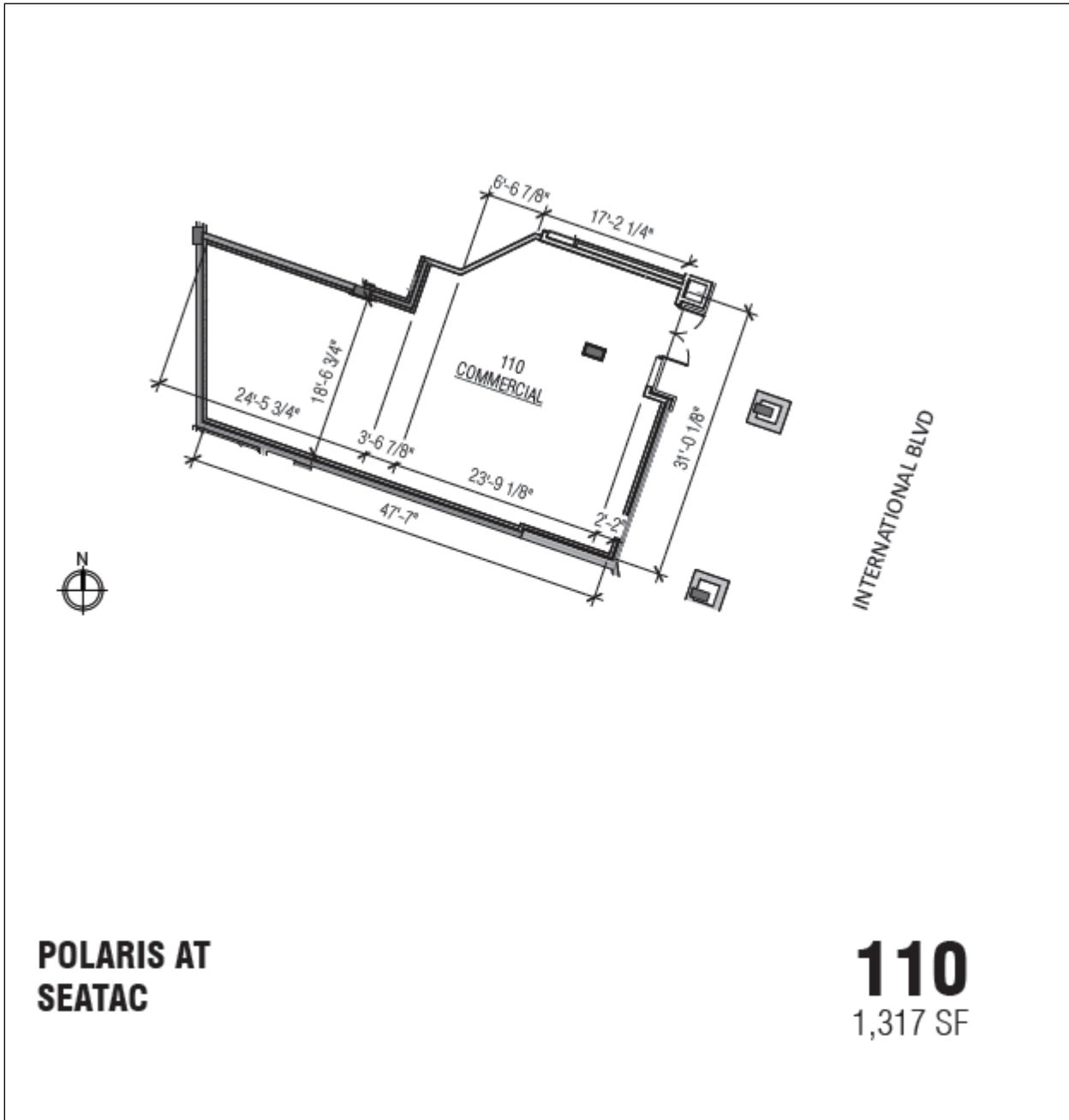
I. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Agreement.

IN WITNESS, the parties below execute this Agreement, which shall become effective on the last date entered below.

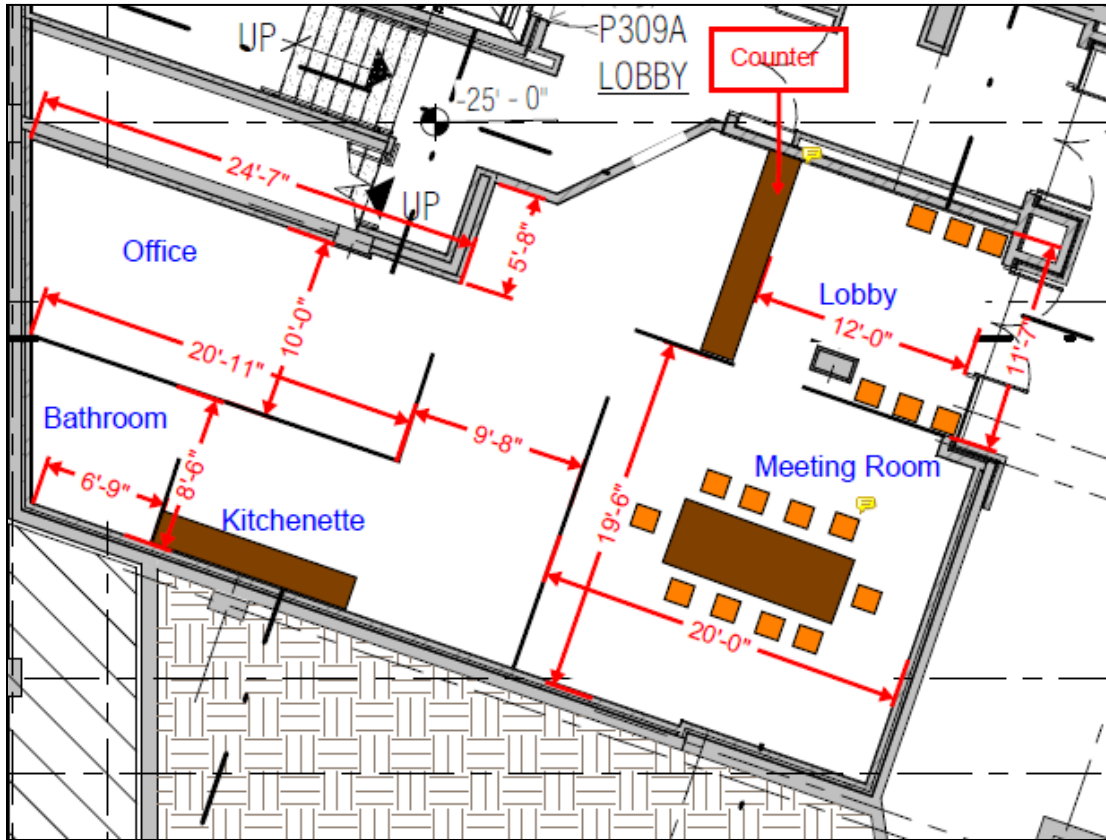
<p>CONTRACTOR:</p> <p>By: _____ <i>(signature)</i></p> <p>Print Name: _____</p> <p>Its _____ <i>(title)</i></p> <p>DATE: _____</p>	<p>CITY OF SEATAC:</p> <p>By: _____ <i>(signature)</i></p> <p>Print Name: Carl Coal</p> <p>Its: City Manager</p> <p>DATE: _____</p>
<p>NOTICES TO BE SENT TO:</p> <p>CONTRACTOR: Duane Klinge Klinge and Associated PO BOX 866 Kirkland, WA 98083 Phone (206)793-2394</p>	<p>NOTICES TO BE SENT TO:</p> <p>CITY OF SEATAC: Brian Ruda City of SeaTac 4800 South 188th Street SeaTac, WA 98188 (206) 973-4674 (telephone) bruda@seatacwa.gov</p>
	<p>Approved as to Form:</p> <p>By: _____ <i>(signature)</i></p>

Attachment A

Location of Premises



Attachment B
Concept of Suite Design



Attachment C

City Responsibilities for Tenant Improvement According to Lease Agreement

Section 44: Lessor's Work. Lessor shall deliver the Premises in an "unfinished" condition by performing on the following work in compliance with all applicable federal, state and local laws and codes:

- A. Electrical:** Provisions have been made in the building's Main Distribution Panel for a 200 amp, 3-phase electrical service. Electrical panel shall be installed by the Lessee during the build-out of the space and located per Lessee's layout. Lessee to coordinate with Seattle City Light to provide for meter and account set-up of electricity. Stub locations and sizes are approximate and should be verified by Lessee. Conductors shall be provided by Lessee.
- B. Plumbing:** Water service and waste piping shall be provided to the Premises per the Plan Sheets attached as Exhibit D. Stub locations are approximate and should be verified by Lessee. Submeter to be provided by Lessor. Lessee to coordinate with Utility to provide account set-up.
- C. HVAC:** Location for a condenser unit in the parking garage level will be provided. Lessee shall be responsible for HVAC system including line sets to condensers and all exhaust and outside air intakes.
- D. Fire Protection:** Lessor to provide the Premises with sprinklers and piping roughed in as required by applicable codes. Lessee to complete the distribution required of the build-out.
- E. Cable TV, Phone, Data:** Lessor shall provide one (1) power conduit good for 200 amps, one (1) communication conduit, two (2) sleeves into adjacent garage, and four (4) provisional conduits to the roof. Size and location of conduits to be verified by Lessee. Lessee shall be responsible for cabling, terminations, account set-up and coordination with providers.

collectively the "Lessor's Work."

Exhibit E of Lease Agreement

1. LESSEE'S OBLIGATION. Lessee shall complete Lessee's Improvements, at Lessee's sole cost and expense. "Lessee's Improvements" consists of all work required to complete/build out the Premises and open the same for business for the Permitted Use in accordance with the Lease, including without limitation the work described in Section 5 of this Exhibit.

2. DESIGN APPROVAL. At Lessee's expense, Lessee agrees to submit to Lessor, one (1) set of full dimensioned 1/8-inch scale or larger preliminary drawings, plus specifications prepared by Lessee's architect or designer. Drawings shall indicate the specific requirements of Lessee's space showing clearly the storefront, interior partitions, colors, materials, trade fixture plans, lighting, electrical outlets, and any modifications to the existing structure. Lessee understands that Lessee is required at its own time and cost to: (a) secure all necessary permits to complete Lessee's Improvements; (b) confirm zoning code restrictions, if any; and (c) upgrade the Premises as required by governing authorities to conduct its business at the Premises. Lessor shall have ten (10) business days after receiving Lessee's plans to review Lessee's plans and specifications and notify Lessee of the matters, if any, in which said plans fail to conform to Lessor's construction requirements or otherwise fail to meet with Lessor's approval (which approval shall not be unreasonably withheld). Lessee shall cause said plans to be revised in such manner as to comply with Lessor's requirements within five (5) business days (or such reasonable additional time as may be necessary as agreed to by the parties) after Lessor's notice to Lessee and Lessee shall submit revised plans for Lessor's approval. This submission and review process shall continue until Lessor and Lessee have agreed upon Lessee's plans and specifications. When Lessor has approved Lessee's plans or revised plans, as the case may be, Lessor shall initial and return one (1) set of approved plans to Lessee showing the date of Lessor's approval and such plans shall be referred to herein as the "Approved Plans". If the permitting authorities require any changes to the Approved Plans, Lessee shall submit the same, within five (5) business days after receipt of such comments from the permitting authorities, to Lessor for Lessor's approval, in accordance with the procedure set forth in this Section. Once Lessee's plans have been formally approved by Lessor and the permitting authorities (such plans shall be referred to herein as the "Final Approved Plans"), Lessee shall deliver at least 1 complete set of the Final Approved Plans to Lessor.

Lessee shall submit construction drawings as follows:

1. Lessee's preliminary plans must include all components required by the City of SeaTac for Lessee to occupy the Premises.

2. Lessee, Lessee's architect and contractor shall meet with Lessor for review of plans on a mutually acceptable date for Lessor to approve the plans, which approval shall not be unreasonably withheld. Lessee may use the contractor and subcontractors of its own choosing. The general contractor and all subcontractors must be bonded, licensed and insured.

Lessor shall be entitled to withhold approval of any plans or specifications or the authorization for work to proceed until it has been furnished with reasonable evidence that Lessee has made suitable provision to pay the full cost of the work and to discharge any liens that may arise therefrom.

Lessee shall ensure that all the provisions and conditions contained or imposed in this Exhibit F are observed and performed by all designers, contractors and trades engaged by Lessee.

Lessee acknowledges that under no circumstances is work to take place in connection with the fire sprinkler system or the fire alarm system servicing the Premises or the Property without the prior notice and involvement of Lessor's building engineer, sprinkler contractor and fire alarm contractor. Prior to any work taking place in connection with the fire sprinkler system or the fire alarm system, the fire alarm system must be properly disarmed and when the work is concluded, properly rearmed.

Lessee shall be responsible for notifying and coordinating all shut downs of services to the Premises with the jurisdictions having authority, as required to complete the Lessee's Improvements. Lessee acknowledges and agrees that no such shut down of services shall be made without Lessor's consent following reasonable notification, so that any affected tenants can be notified and any impacts can be avoided and/or mitigated.

3. GENERAL REQUIREMENTS FOR LESSEE'S IMPROVEMENTS.

3.1. **Construction Meetings.** Prior to the start of construction, Lessee shall schedule a meeting with the Lessor, Lessee's contractor, and Lessee's mechanical and electrical subcontractors to review in detail the scope of work, schedule, building hours, contractor rules, contacts and other details for the work to proceed without disturbance to other Lessees. Thereafter, the same representatives shall meet as reasonably deemed necessary by Lessor to review progress.

3.2. **Standards.** All Lessee's Improvements required by Lessee to complete the Premises for occupancy shall be carried out with good workmanship and with new materials, which shall all be of a high quality and conforming to the best standards of practice, and shall not be in contravention of the governmental requirements of the municipality or any other authority having jurisdiction.

3.3. **Insurance.** Before commencing Lessee's Improvements, Lessee and Lessee's contractors shall furnish written proof to Lessor that liability, fire, and general workmen's compensation insurance as required under the Lease. Lessor shall be named as an additional insured in Lessee's and Lessee's contractors' insurance.

3.4. **Access.** Lessee and its contractors shall be entitled to have access to the Premises in order to execute Lessee's Improvements, subject to compliance with all reasonable rules, regulations and stipulations which Lessor may make from time to time. The rules, regulations and stipulations may include, but shall not be limited to, matters relating to:

- (i) The handling and storage of material and equipment;
- (ii) The hours of work and coordination of activity;
- (iii) The use of the facilities and utilities (which does not include use of restrooms outside of the Premises – Lessee shall be responsible for providing its own temporary toilets for construction use);
- (iv) The scheduling of work;
- (v) Any deliveries; and
- (vi) The clean-up of work and the disposition of refuse.

3.5. **Clean-up.** Lessee shall at all times keep the Premises and all other areas clear of all waste materials and refuse caused by itself, its suppliers, contractors or by their work. Lessee shall remove all waste materials and refuse directly from the Premises and the Property and shall be responsible for the disposal of such materials off-site. If impacting others, Lessor may require Lessee to clean-up on a daily basis, and shall be entitled to clean-up at Lessee's expense if Lessee fails to comply with Lessor's reasonable requirements in this respect. At the completion of Lessee's Improvements, Lessee shall leave the Premises clean and to the satisfaction of Lessor and shall remove all tools, equipment and surplus materials from the Premises and the Property and remove all waste material and refuse from the Premises and shall be responsible for the disposal of such materials off-site. The final clean-up shall include the cleaning of all lighting fixtures, millwork units, store fronts and space which may be affected by the work.

3.6. **Responsibility with Regard to Lessee's Improvements.** Lessor shall not in any way be responsible or liable with regard to any of Lessee's Improvements in the Premises and shall be reimbursed for any additional costs and expenses caused which may be occasioned to it by reason thereof, and for any damages due to delays which may be directly or indirectly caused thereby to Lessor or its contractor. Any damage caused by Lessee's contractor or subcontractors employed on Lessee's Improvements to the structure or the systems employed in the Property or to any property of Lessor, or of other Lessees shall be repaired by Lessor's contractor to the satisfaction of Lessor and Lessor may recover the costs incurred from Lessee.

3.7. **Security and Fire Extinguisher.** Lessee shall be entirely responsible for the security of the Premises during construction and Lessor shall not be liable for any loss or damage suffered by Lessee. Lessee shall maintain and keep on the Premises at all times during construction and the Term of the Lease suitable portable fire extinguishers as required by applicable code.

3.8. **Indemnification/Liens.** In accordance with the Lease and this Exhibit, Lessee shall indemnify, defend and hold harmless Lessor from and against any and all claims arising out of work done by Lessee or its contractors, and Lessee shall promptly cause to be removed any liens filed against title to the Premises or the Property, failing which, Lessor may do so and Lessee shall pay all Lessor's costs, including legal costs, as incurred by Lessor in so doing.

4. **NON-COMPLIANCE.** Unless there is an unavoidable cause for delay that is outside of the Lessee's control, if Lessee does not complete construction of the Lessee's Improvements within two hundred seventy (270) days, Lessor, in addition to and not in lieu of any other rights or remedies, shall have the right, following thirty (30) days' written notice and reasonable opportunity to cure, to declare and treat Lessee's noncompliance as an Event of Default and exercise any right available under the provisions of this Lease, including the right of termination. An unavoidable cause for delay would include an act of God, unavailability of vendor, unavailability of materials, severe weather, etc. In any event of termination pursuant to the above provision, Lessor may further elect either to:

(a) retain for its own use, without payment therefor, all or any of Lessee's Improvements which has been commenced, installed or completed to the date of such termination; or

(b) forthwith demolish or remove all or any work and restore the Premises to the condition in which the same were prior to the commencement, installation or completion of all of such of Lessee's Improvements as is so demolished or removed and recover the cost of so doing from Lessee.

5. **PERFORMANCE OF LESSEE'S IMPROVEMENTS.** Lessee will, at its expense and subject to the provisions of this Exhibit, provide, furnish and install within the Premises all finishings, fixtures, architectural, electrical, fire alarm, security, fire sprinkler, plumbing, heating, ventilation, air conditioning and mechanical work described herein to complete the construction of the Premises in accordance with the approved Lessee's plans and specifications and to equip the Premises ready for occupation including, but not limited to, the following:

5.1. **Signs.** Signage, including lighting thereof, in accordance with Lessor's design approval.

5.2. **Slab Penetrations.** Lessee is responsible for providing structural engineering for any proposed penetrations to the existing structure and/or added loads to the existing structure. All slab penetration locations and sizes must be reviewed and approved in writing by Lessor's or Lessor's structural engineer. Prior to seeking such approval, Lessee shall perform slab imaging as required to verify that post tension cables will not be affected by slab penetrations.

5.3. **Electrical Installation.** The total electrical installation to the Premises conforming to applicable codes, including buss bars, panels and breakers in the panel, connection of air-conditioning unit, lighting, outlets, emergency and exit lighting, electrical service to signs, and any modification to the distributed antenna system or emergency responder communication systems.

5.4. **Telephone Services.** All distribution and extensions of telephone conduit from the Building's telecom room to and within the Premises and all intercom, communication, burglar alarms, monitoring and signal systems required by Lessee.

5.5. **Plumbing.** All plumbing, piping, equipment, fixtures etc., to the specified Property standards established by the Architect required to extend and connect plumbing services from fixtures to point of connection provided by Lessor, including provision for hot water that may be required by Lessee.

5.6. **Mechanical.** Piping, ductwork, miscellaneous exhaust, HVAC thermostat, connection to the Building's Energy Management System, HVAC smoke detectors, heat pumps, materials, labor and equipment for the distribution of all mechanical services in the Premises.

5.7. **Sprinklers.** Modifications and relocation of sprinkler system layout to suit Lessee's requirements.

5.8. **Fire Protection.** Any fire alarm, fire alarm monitoring, fire prevention, safety and emergency equipment or lighting in and about the Premises, additional to that required by any authority having jurisdiction.

5.9. **Utilities.** Lessor is responsible for providing all equipment, materials and modifications required to ensure that water, gas and electricity for the Premises are separately metered.

5.10. **Interior Finishing.** All other work, interior finishes and installation, including, without limiting the generality thereof, ceilings, floor covering, installation of sheet rock and taping, filling and insulating of demising walls, painting, show window enclosures and display platforms, partitions, special wall and ceiling finishes, vertical and horizontal transportation equipment, trade fixtures and security vaults, and all requirements of licensing, health and other authorities having jurisdiction to the specified Property standards established by the Architect. Access panels shall be provided in ceilings where removable tile ceiling systems are not used for access to equipment which may be located above such ceilings.

6. SPECIFIC RESTRICTIONS. No suspended loads will be permitted from the underside of the structure slab without written approval by Lessor. Lessee will not be permitted to install openings, signs, store front and/or improvements in the exterior walls or interior demising partitions or bulkheads above the Premises for any purpose without the prior written approval of Lessor. Mounting of burglar alarms and signal systems on the exterior walls of the Premises or the Building requires Lessor's prior written consent. Individual antenna of any nature on, and all access to, the roof of the Building is prohibited.

ORDINANCE NO. _____

AN ORDINANCE of the City Council of the City of SeaTac, Washington, authorizing the City Manager to execute a professional services agreement between the City of SeaTac and Klinge and Associates Inc. in the amount of \$440,732.61 and amending the City's 2023-2024 Biennial Budget.

WHEREAS, the City of SeaTac approved a decision card for a 'SeaTac Police Community Outreach Center' in the 2021-2022 Biennial Budget, and the project was carried forward in the Facility Construction CIP Fund (306 fund) for the 2023-2024 Biennial Budget; and

WHEREAS, the City of SeaTac signed a lease agreement for rental of the office space with Sunset Management Inc on January 30th, 2023; and

WHEREAS, the lease agreement provides revenue of \$62,600 to the City of SeaTac to be put towards 'Lessee Improvements' and this revenue will be delivered to the City within 30 days upon satisfactory completion and close out of the project; and

WHEREAS, the desired scope of work provides construction services for the complete build out of the office space through a tenant improve; and

WHEREAS, an amendment to the 2023-2024 Biennial Budget is required to provide for additional monies to fund the project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON, DO ORDAIN as follows:

Section 1. The City Manager is authorized to execute a professional services contract with Klinge & Associates Inc. for construction services for the Police substation in an amount not to exceed \$440,732.61.

Section 2. The City's 2023-2024 Biennial Budget is amended to increase revenue in the Facility Construction CIP Fund (306 fund) by \$62,600 and expenditures by \$275,737.61, for needed professional services.

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Section 3. This Ordinance shall be in full force and effect five (5) days after passage and publication as required by law.

ADOPTED this ____ day of _____, 2023, and signed in authentication thereof on this ____ day of _____, 2023.

CITY OF SEATAC

Jake Simpson, Mayor

ATTEST:

Kristina Gregg, City Clerk

Approved as to form:

Mary E. Mirante Bartolo, City Attorney

[Effective Date: _____]

[2023-2024 Biennial Budget Amendment Ordinance]



MEMORANDUM

To: Administration & Finance Committee
From: Kyle Moore, Government Relations & Communications Manager
Date: April 13, 2023
Re: **Stipends for Running Start for the Trades ANEW Youth Apprenticeship Program**

Purpose:

To request \$73,608 in stipend funding for Running Start for the Trades youth enrolled in the ANEW Apprenticeship Program.

The Challenge:

Young adults in SeaTac face limited opportunities for family wage jobs without proper training. One solution to creating opportunities for these youth is apprenticeship or pre-apprenticeship programs.

Apprenticeship is a workforce training model that combines paid on-the-job learning and formal classroom or online instruction to help a worker master the knowledge, skills, and competencies needed for career success.

According to the U.S. Department of Labor, apprenticeship programs have a proven track record of producing strong results for both employers and workers. Apprenticeship programs offer access to hundreds of occupations, in high-growth and emerging industries. The Federal Government states the average starting salary after an apprentice completes an apprenticeship program is \$77,000. The percentage of apprentices who retain employment after apprenticeship completion is 93%. Apprentice graduates earn more than \$300,000 over their lifetime compared to peers who don't participate in a program.

One of the barriers for low-income students entering the ANEW Apprenticeship Program is the need for a salary while training. Many of these students work jobs to help support the family unit. Taking time away from these jobs means a loss of income for the entire family.

A barrier for entry to the program would be removed if the City pays a minimum wage stipend and safety equipment costs for students. By removing barriers, this would allow for these students to build up skills that set them up for successful careers in the trades. These trade jobs can pay significantly higher wages than the minimum wage service and hospitality jobs normally open for these students.

Background:

In the 2023-24 Washington State House Operating Budget, Rep. Tina Orwall (33rd) added a budget proviso in the 2023-24 Washington State House Operating Budget which includes \$300,000 of funding for workforce education which would go to ANEW. ANEW is a Tukwila-based program that offers high-quality, pre-apprenticeship training programs that help individuals obtain careers in construction trades. The state budget proviso language is below:

(11) \$300,000 of the workforce education investment account—state appropriation is provided solely for certified construction trade pre-apprenticeship programs that use a nationally approved multi-craft curriculum and emphasize construction math, tool use, job safety, equipment, life skills, and financial literacy. The pre-apprenticeship programs should focus on disadvantaged, nontraditional, and underrepresented populations, and on populations reentering the community from incarceration and homelessness.

The state budget would pay for three additional ANEW cohort classes of 20 students each. Students from multiple cities can apply for the program.

The ANEW apprenticeship program is called Running Start for the Trades and is designed to expose apprenticeship opportunities to youth who are ages 16–24 years old. ANEW's pre-apprenticeship program gives student the opportunity to learn valuable construction trade skills and gain experience using hand tools and power tools.

Students participate in 280 hours of training throughout the summer in a variety of areas including:

- Professional development including grit growth mindset.
- Trades math
- Construction projects
- Apprentice competency evaluations
- Physical fitness
- Industry certifications

Program participants go on jobsite and apprenticeship tours and learn from industry professionals. Upon graduation of the program requirements, these youth receive direct or preferred entry into registered apprenticeship programs in the construction industries.

ANEW's partners include:

- Highline School District
- Federal Way School District
- South Seattle College

Labor and Union partnerships include:

- Laborers Local 242

- IBEW 46
- Finishing Trades Institute
- Cement Masons

Local contractor partners include:

- Sellen
- Sound Transit Abbott
- Lydig
- Anderson Construction

ANEW kicked off the pilot in 2021 with one cohort at the Kent Training Facility. In 2022, ANEW partnered with Federal Way School District to offer an additional cohort for South King County students. ANEW leveraged its many industry partnerships to offer unique experiences for students to learn about the different trade crafts they could pursue careers in. South Seattle College and ANEW's partnership allowed some students to receive college credit for participating in pre-apprenticeship.

Graduation Rates:

Running Start Cohort (PACE 024)

- Enrolled 24
- Graduated 20 (83%)
- Demographics
 - Male = 22
 - Female = 2
- Ethnicity
 - 21% White
 - 79% Black Indigenous People of Color (BIPOC)
 - 7 = Hispanic
 - 6 = African American
 - 5 = Multi-race
- Ages – 17-18 years old= 67 %
 - Five are 17 years old.
 - Eleven are 18 years old.
 - Three are 19 years old.
 - Five are 20-24 years old.

Placement:

- Total Placements = 12 (60%)
- Apprenticeship Placement – Three (Carpenter Laborer Cement Mason)
- Installer/Helper/Handlers – Nine (Installers for IBEW Local 46)
 - Four making prevailing wage at \$ 41.00 an hour.
 - Five making installer wage \$17.48 an hour.

Funding Options:

City of SeaTac Human Services currently funds ANEW at the rate of \$24,000 for 2023-24. This request would expand ANEWs funding by \$73,608 for a total of \$97,608 for 2023-24. The additional funding would come from the ARPA account.

Option 1: Fund five students per cohort for a total of 15 students over two years. The state minimum wage is \$15.74 an hour and the student undergo 280 hours of training. This equals \$4,407.20 in stipend wages per student and each student needs about \$500 in safety equipment. The total cost per student would be \$4,907.20 for a total cost of \$73,608 for 2023-24.

Option 2: Reduce the number of students funded from five to two students per cohort for a total of six students over two years. The cost would be about \$30,000 for 2023-24.

Option 3: Do not fund any of the students at no cost to the City.

Recommendations:

Staff recommends Option 1 as a two-year pilot program. Success data can be gathered from the two-year pilot to see if the wage and safety equipment stipends reduce the barrier to entry for low-income SeaTac students and if it should be expanded or reduced.

With the passage of Option 1, students this summer could start receiving the wage and safety equipment stipends.

City of SeaTac Decision Card

<p>Title: ANEW Stipends</p> <p>Fund(s): ARPA</p> <p>Amount: \$ <u>73,608</u></p> <p>Mandatory? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Department: CED</p> <p>Director: Evan Maxim</p> <p>Program: Human Services</p> <p>Date Prepared: 03/24/2023</p> <p>Preparer: Kyle Moore</p>
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Description: *(Provide a brief overview of what is being requested)*

Amending the ANEW Apprenticeship Program Human Services Contract to add stipends to pay students while training and to pay for supplies such as work boots.

Justification: *(Explain why this is being requested and/or how the request will benefit the City):*

The ANEW Apprenticeship Program receives funding from the Human Services Contract. The program trains South King County residents in the construction trades leading to family wage jobs.

One barrier for lower-income students entering the program is the need to earn money to contribute to the family. By paying students a minimum wage while training allows these students to participate in the program leading to higher wage career jobs.

Students would be paid minimum wage of \$15.74 an hour for the 280 hour training. This equals to about \$4,407 per student for the entire program. The students would continue to be paid as long as they remain in good standing with the program requirements.

In addition to the pay stipend, students also require about \$500 worth of work gear which includes, work boots, eye protection and other safety items. The stipend for pay and safety gear would equal about \$4,907 per student.

I am estimating about five SeaTac students would be involved in each cohort. Based on these estimate, the City would spend about \$73,608 for stipends over a two-year period.

Alternatives: *(List possible alternatives and/or risks if funding is not approved):*

The City could choose to fund less than 15 students for stipends. Each student cost about \$4,907 so the City would save this amount of money per student. The City could also choose not to fund the stipends.

City Goal: *(Identify how this request works towards the City's Goals):*

BUILD EFFECTIVE & ACCOUNTABLE GOVERNMENT – Increase community trust through better community engagement, collaboration, and transparency.

Funding Detail:

	Fund(s)/Source	Amount	Amount
Expenditures:			
One-Time Costs	ARPA Fund 113.000.13	73,608	73,608
On-Going Costs			
Total Expenditures		\$ 73608	\$ 73,608
Revenues:			
Grant <i>(Identify Grant)</i>			
Other <i>(Identify)</i>			
Total Revenues		\$ 0	\$ 0
Total Request (Net):		\$ 73,608	\$ 73,608

Supplemental Info Worksheet

Revenue:	BARS# (if known)	Amount	Amount
Total		\$ 0	\$ 0
Expenditures:			
Stipends & Safety Equipment	113.000.13	73,608	73,608
Total		\$ 73,608	\$ 73,608

**FIRST AMENDMENT TO CONTRACT
FOR HUMAN SERVICES BETWEEN THE
CITY OF SEATAC AND ANEW**

The contract dated January 23, 2023 between the City of SeaTac and ANEW shall be amended as follows:

Section 2. Scope of Services to be Performed by Agency. In addition to the Agency performing those services described in the Scope of Services in Exhibit A, the Agency will also performing services also described in **Exhibit B** attached hereto and incorporated by this reference as if fully set forth.

Section 4. Agency Compensation. Replace current language with following language, "The City shall pay the Agency (ANEW) for services rendered not to exceed \$97,608 for 2023-24. Payment will be made on a quarterly basis."

CITY OF SEATAC

Carl Cole
City Manager

Executive Director

Date: _____

Date: _____

APPROVED AS TO FORM:

SeaTac Legal Department

ADDENDUM

EXHIBIT B

SCOPE OF SERVICES

ANEW shall furnish to residents of the City of SeaTac, under the City's Human Services program, basic services including, but not limited to the following:

- Minimum wage stipends for SeaTac residents enrolled in ANEW's apprenticeship and pre-apprenticeship programs.
- Fund five SeaTac students per cohort, for three cohorts, for a total of 15 students during 2023-2024. The state minimum wage in 2023 is \$15.74 an hour and the students undergo 280 hours of training. This equals to \$4,407.20 in stipend wages per student.
- Fund 15 SeaTac student's stipends for safety equipment at a cost of \$500 per student.
- Total cost of stipend wages and equipment cost would be \$4907.20 per student. Total cost of 15 students would be \$73,608.

Total cost of the Exhibit B Scope of Services shall not exceed \$73,608.

**CONTRACT FOR HUMAN SERVICES
BETWEEN THE CITY OF SEATAC
AND
ANEW**

THIS AGREEMENT is entered into effective on the 1st day of January 2023, by and between the City of SeaTac, a municipal corporation of the State of Washington, hereinafter referred to as the “City”, and, ANEW, hereinafter referred to as the “Agency.”

IN CONSIDERATION OF the mutual benefits and conditions hereinafter contained, the parties hereto agree as follows:

1. Independent Contractor. The Agency and City agree that the Agency is an independent contractor with respect to the services provided pursuant to this Contract. Nothing in this Contract shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Agency nor any employee of the Agency shall be entitled to any benefits accorded City employees by virtue of the services provided under this Contract. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security payments or contributing to the State Industrial Insurance Program, or otherwise assuming the duties of an employer with respect to the Agency, or any employee of the Agency.

2. Scope of Services to be Performed by Agency. The Agency shall perform those services described in the Scope of Services (*see Exhibit A*) attached hereto and incorporated herein by this reference as if fully set forth. In performing such services, the Agency shall at all times comply with all federal, state, and local statutes, ordinances, and rules applicable to the performance of such services and the handling of any funds used in connection therewith.

3. Duration of Contract. This Contract shall be in full force and effect for a period commencing on January 1, 2023 and ending December 31, 2024, unless sooner terminated under the provisions hereinafter specified. However, *funding for calendar year 2023 is contingent, subject to written confirmation by the City Manager as funding may be modified or eliminated by the City Council.* Continued funding may also be dependent upon the Agency’s performance of the services identified in **Exhibit A**, contract compliance, cost-benefit analysis, and return on investment analysis.

4. Agency Compensation. The City shall pay the Agency for services rendered not to exceed \$12,000, per calendar year. Payment will be made on a quarterly basis.

5. Method of Payment and Performance Measures.

A. In order to receive payment, the Agency shall submit a signed invoice and accompanying Service Report through electronic means as directed by the City not more than fifteen (15) working days after the close of each quarter, except the fourth quarter invoice and Service Report shall be submitted within five (5) working days after the close of the quarter. The City reserves the right to delay payment if invoices and service reports are incomplete or submitted late.

B. The City will utilize a variety of measures as indicators of satisfactory

contract performance, which in turn determines the compensation paid by the City to the Agency. The Agency shall meet at least 90% of the combined yearly performance measures outlined in **Exhibit A** in order to be compensated 100%.

C. If the Agency does not meet at least 90% of the combined yearly performance measures at year-end, total compensation shall be reduced proportionately (*e.g.*, if the agency meets 70% of the combined yearly performance measures, final compensation will be 70% of the compensation set forth in Section 3 below). In such cases, the City, through its City Manager, may authorize additional compensation up to the full amount set forth in Section 3 below if it is determined by the City Manager that: 1) circumstances beyond the Agency's control impacted its ability to meet 90% of the combined yearly performance measures; and 2) the Agency demonstrates that reasonable effort was made to overcome those circumstances.

6. Discrimination Prohibited. The Agency shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Agency to be provided under this Contract on the basis of race, color, religion, creed, sex, age, national origin, marital status, or presence of any sensory, mental, or physical handicap.

7. Indemnification. The Agency shall defend, indemnify, and hold harmless the City, its officials, officers, directors, employees, volunteers, and agents from any and all claims, injuries, damages, losses or suits, including all legal costs and attorneys' fees, arising out of or in connection with the Agency's performance of this Contract, except for injuries and damages caused by the City's sole negligence. The City's inspection or acceptance of any of Agency's work when completed shall not be grounds to avoid any of these covenants of indemnification. The provisions of this Section shall survive the expiration or termination of this Contract.

IT IS FURTHER SPECIFICALLY AND EXPRESSLY UNDERSTOOD THAT THE INDEMNIFICATION PROVIDED HEREIN CONSTITUTES THE AGENCY'S WAIVER OF IMMUNITY UNDER INDUSTRIAL INSURANCE, TITLE 51 RCW, SOLELY FOR THE PURPOSES OF THIS INDEMNIFICATION. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE MUTUALLY NEGOTIATED THIS WAIVER.

8. Insurance. The Agency shall procure and maintain insurance as outlined below for the duration of this Contract. Any Commercial General Liability and Automobile Liability insurance policies obtained shall be underwritten by insurance companies which have an A.M. Best's rating of A X or better, licensed to do business in the State of Washington. Liability insurance policies shall specifically name the City, its elected or appointed officials, officers, directors, employees, volunteers, and agents as Primary Non-Contributory Additional Insureds of said policies.

The Agency shall not begin work under this Contract until all required insurance has been obtained and until such insurances have been received by the City. The Agency shall file with the City a certificate of insurance evidencing that the policies are in force. The certificate shall be accompanied by policy endorsements as are necessary to comply with these requirements.

Coverage shall be at least as broad as and with limits not less than the following, which may be satisfied through a combination of primary and umbrella or excess liability coverage. The types and limits insurance are as follows:

COMMERCIAL GENERAL LIABILITY-Comprehensive Form

\$1,000,000 per occurrence liability/\$2,000,000 annual aggregate

Stop Gap Liability \$1,000,000

Waiver of Subrogation

Primary Non-Contributory Additional Insured coverage for the City of SeaTac, *et.al.*

AUTOMOBILE LIABILITY

\$1,000,000 per accident bodily injury and property damage liability, including any owned, hired or non-owned automobile.

EXCESS/UMBRELLA LIABILITY

\$1,000,000 per occurrence liability/\$1,000,000 annual aggregate

WORKER'S COMPENSATION

Employees of Agency and Subcontractors are to be insured under Washington State Industrial Insurance.

The General Aggregate provision of the Agency's insurance policies shall be amended to show that the General Aggregate Limit of the policies applies separately to this Contract.

Failure of the Agency to fully comply with the requirements regarding insurance will be considered a material breach of contract and shall be cause for immediate termination of this Contract.

9. Tax Exempt Status, Corporate Registration, and Business License.

A. For the duration of this Contract, the Agency shall maintain tax-exempt status with the Internal Revenue Service and current corporate registration with the Washington Secretary of State.

B. The Agency shall obtain a City of SeaTac Business License, if required by City Code.

10. Record Keeping and Reporting.

A. The Agency shall maintain accounts and records, including personnel, property, financial and programmatic records that sufficiently and properly reflect all direct and indirect costs of any nature expended and services carried out in the performance of this Contract and other such records as may be deemed necessary to the City to ensure proper accounting for all funds contributed by the City for the performance of this Contract and in compliance with this Contract.

B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Washington State

Archivist in accordance with Chapter 40.14 RCW and by the City.

C. The Agency shall provide a yearly Outcomes and Demographics Report to the City containing statistical data concerning client intakes and services performed by the Agency during the year. The Agency will report the types and number of services that the Agency provided, in a Quarterly Service Report, together with information concerning the number of people who participated or received the services, and other information as agreed upon. This information shall be submitted electronically as directed by the City.

11. Audits and Inspections. The records and documents with respect to all matters covered by this Contract shall be subject at all times to inspection, review, or audit during the performance of this Contract. The City shall have the right to an annual review of the Agency's financial statements and condition.

12. Public Records. The Agency acknowledges that the City is a public agency subject to the Public Records Act codified in Chapter 42.56 of the Revised Code of Washington and documents, notes, emails, and other records prepared or gathered by the Agency in its performance of this Contract may be subject to public review and disclosure, even if those records are not produced to or possessed by the City of SeaTac. The Agency agrees to cooperate fully in satisfying the City's duties and obligations under the Public Records Act.

13. Notices. Notices required by terms of this Contract shall be sent to the other party at the following addresses, unless otherwise requested, in writing, by one of the parties to this Contract:

CITY OF SEATAC:

City of SeaTac
City Manager's Office
Attn.: Carl Cole, City Manager
4800 South 188th Street
SeaTac, WA 98188-8605
Telephone: (206) 973-4820

AGENCY:

ANew
Attn.: Karen Dove, Executive Director
18338 Andover Park West
Tukwila, WA 98188
Telephone: (206) 381-1384
Email: karen@newcareer.org

14. Changes. All notices or communications permitted or required to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified mail, return receipt requested, and addressed, if to a party of this Contract, to the address for the party set forth above.

15. Assignment and Subcontract. The Agency shall not assign or subcontract any portion of the services contemplated by this Contract without the written consent of the City.

16. Termination. This Contract may at any time be terminated by the City upon giving to the Agency thirty (30) days written notice of the City's intention to terminate the same. If the Agency's insurance coverage is canceled for any reason, the City shall have the right to terminate this Contract immediately. In the event of contract termination, the Agency shall be

compensated for services rendered, provided that the Agency submits the required documentation as outlined in Section 2(A) above within thirty (30) days of the effective date of termination. For example, if the Agency performed services that equate to 50% of the combined yearly performance measures at the time of contract termination, the Agency shall be compensated 50% of the amount set forth in Section 3 of this Contract.

17. Continuation of Performance. In the event that any dispute or conflict arises between the parties regarding any of the performance of the Agency while this Contract is in effect, the Agency agrees that, notwithstanding such dispute or conflict, the Agency shall continue to make a good faith effort to cooperate and continue work toward successful completion of assigned duties and responsibilities. If any dispute or conflict arises that is not within the scope of work described in **Exhibit A**, the Agency may elect to stop work until the dispute or conflict is resolved.

18. Applicable Law; Venue; Attorneys' Fees. This Contract shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Contract, the parties specifically understand and agree that venue shall be King County Superior Court, Maleng Regional Justice Center, King County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit.

19. Entire Agreement. This Contract contains the entire agreement between the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Contract, shall be deemed to exist or bind any of the parties hereto. Either party may request changes in the Contract. Proposed changes, which are mutually agreed upon, shall be incorporated by written amendments to this Contract.

CITY OF SEATAC:

AGENCY: ANEW

By: Carl Cole
Name: Carl C. Cole
Title: City Manager
Date: Feb 14, 2023

By: Karen Dove
Name: Karen Dove
Title: Executive Director
Date: Feb 14, 2023

APPROVED AS TO FORM:

By: Mary Mirante Bartolo
Name: Mary Mirante-Bartolo
Title: City Attorney

EXHIBIT A
Scope of Services

The Agency shall furnish to residents of the City of SeaTac, under the City’s Human Services program, basic services including, but not limited to the following:

Performance Measure	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
1. Training					4
2. Individual					4
3. Residents served	2	2	2	2	8
4.					
5.					

Define each service unit.

- Unduplicated City Clients = number of unduplicated City residents served.
- Service Unit #1= 8 Residents will receive a 12-week training program with a total of 300 hours.
- Service Unit #2 = Individual assistance with career exploration, applications, resume, and interviews.

Outcome #1: 80% of its students will enter the construction industry and 70% of those apprentices will remain in the industry for at least a year.

Outcome#2:75% of the retention rate for apprentices in the construction trades two years after graduation.

The Agency must attend and have a table/booth at the following City-sponsored events throughout the life of the contract.

ANEW STIPENDS

April 13, 2023



PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

**Amend Human Services
Contract with ANEW to add
wage and safety equipment
stipends for SeaTac residents
enrolled in apprenticeship
program.**

WHY IS THIS ISSUE IMPORTANT?

1. Lack of wages during training is barrier to youth entering apprenticeship programs.
2. Construction trade training leads to family wage jobs.
3. ANEW has high graduation and placement rate.

ANEW STIPENDS

ANEW SUCCESS STORIES

Running Start Cohort (PACE 024)

- Enrolled-24
- Graduated-20 (83%)
- Total Placements-12 (60%)
 - 9 Installers for IBEW Local 46
 - 4 making prevailing wage at \$ 41.00 an hour.
 - 5 making installer wage \$17.48 an hour.



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Approve Decision Card amending Human Services Contract for ANEW by adding \$73,608 for wage and equipment stipends.
- Approve adding Decision Card to Budget Amendment at April 25, 2023 Council Meeting.

REVIEWS TO DATE

A&F Committee April 13, 2023

ANEW STIPENDS

The ANEW apprenticeship program teaches youth ages 16-24 years old valuable construction trade skills and gain experience using hand tools and power tools. Students participate in 280 hours of training including:

- Professional development growth mindset
- Trades math
- Construction projects
- Apprentice competency evaluations
- Physical fitness
- Industry certifications



ANEW STIPENDS

Graduates receive direct or preferred entry into registered apprenticeship programs in the construction industries. ANEW's partners include:

- Highline School District
- Federal Way School District
- South Seattle College
- Laborers Local 242
- IBEW 46
- Finishing Trades Institute
- Cement Masons
- Sellen
- Sound Transit Abbott
- Lydig
- Anderson Construction



ANEW STIPENDS

- City of SeaTac Human Services currently funds ANEW at the rate of \$24,000 for 2023-24.
- This request would expand ANEWs funding by \$73,608 for a total of \$97,608 for 2023-24.
- The additional funding would come from the ARPA Fund.



ANEW STIPENDS

Funding Options:

Option 1: Fund five students per cohort for a total of 15 students over two years. The state minimum wage is \$15.74 an hour and the student undergo 280 hours of training. This equals \$4,407.20 in stipend wages per student and each student needs about \$500 in safety equipment. The total cost per student would be \$4,907.20 for a total cost of \$73,608 for 2023-24.

Option 2: Reduce the number of students funded from five to two students per cohort for a total of six students over two years. The cost would be about \$30,000 for 2023-24.

Option 3: Do not fund any of the students at no cost to the City.

POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Approve Decision Card amending Human Services Contract for ANEW by adding \$73,608 for wage and equipment stipends.
- Approve adding Decision Card to Budget Amendment at April 25, 2023 Council Meeting.

STAFF RECOMMENDATION

- Staff recommends Option 1 as a two-year pilot program. Success data can be gathered from the two-year pilot to see if the wage and safety equipment stipends reduce the barrier to entry for low-income SeaTac students and if it should be expanded or reduced.
- With the passage of Option 1, students this summer could start receiving the wage and safety equipment stipends.

REVIEWS TO DATE

A&F Committee April 13, 2023

QUESTIONS ?



MEMORANDUM

To: Administration and Finance Committee
Through: Carl Cole, City Manager
From: Gwen Pilo, Finance and Systems Director
Date: April 8, 2021
Re: 2023-2024 Budget Amendment

History:

This proposed budget amendment includes 3 components; ending fund balance adjustments, carry-forward requests, and decision cards.

For the 2023-2024 Biennial Budget, the 2022 beginning fund balance was estimated until the close of 2022. Actual fund balance numbers become available in April. The budget is then amended to include the actual beginning fund balance. 2022 ended with a total fund balance of \$135,807,950 for all funds, \$19,042,559 over the 2023 Estimated Beginning Fund Balance.

Commented [AB1]: New Fund Balance s/b \$135,807,950

Directors submitted carry-forward requests to the Finance & Systems Director for presentation as a budget amendment in April. Carry-Forwards are generally committed funds for contracts or projects started, but not completed, in a previous year and require the remaining budget amount to be “Carried-Forward” into the new budget year. Carry-forward amounts are the unspent budgeted funds in the prior year.

Various one-time and ongoing requests were submitted to the City Manager, in the form of Decision Cards, for consideration for inclusion in the budget. The City Manager approved Decision Cards with a net total of \$1,044,673, are attached and summarized on Exhibit A along with several other required adjustments. Each item is detailed below by fund.

Exhibit A shows the line-item detail for all requests.

Analysis:

General Fund (001) - Increase fund balance \$4,981,395 (revenue exceeded estimates by \$2.9 million and expenditures were \$2.0 million under estimates).

Carry forward requests total \$1,742,826 for expenditures and \$874,950 for grant revenue. Carry-forwards include:

- Cityworks Needs Assessment and Configuration
- OnBase Upgrade
- Phoenix Fuel Systems Upgrade
- Employee Awards Banquet
- Special Legal Services – Claims & Litigation

- Community Court
- ECC Projector and Screen Replacement
- City Center / Airport District Subarea Plan
- SeaTac 2044: Major Comprehensive Plan Update

Decision card requests total \$748,615 for Salaries & Benefits.

Street Fund (102) - Increase fund balance \$3,692,015 (revenue exceeded estimates by \$2.3 million and expenditures were \$1.3 million under estimates).

Carry forward requests total \$900,261 for expenditures. Carry-forwards include:

- On-Call Geotechnical Engineering Services
- Miller Creek Daylight / Realignment Project
- 2022 Overlay
- 2023 Overlay

Decision card requests total \$87,569 for Salaries & Benefits.

Port ILA Fund (105) – Increase fund balance \$34,611.

Transit Planning Fund (106) - Decrease fund balance \$51,747.

Hotel/Motel Tax Fund (107) – Increase fund balance \$719,627.

Carry forward requests total \$100,000 for expenditures. Carry-forwards include:

- Tourism Destination Development Plan (TDDP)

Decision card requests total \$10,899 for Salaries & Benefits.

Building Management Fund (108) – Increase fund balance \$112,782.

Des Moines Creek Basin ILA (111) – Decrease fund balance \$612,651.

Affordable Housing Sales Tax (112) – Increase fund balance \$68,904.

ARPA Fund (113) – Increase fund balance \$57,082. In this fund ARPA federal grant revenue is recognized when it is earned (spent), therefore the fund balance only recognizes interest earnings. However, \$3,091,327 is available for appropriation.

Carry forward requests total \$3,542,700 for expenditures and \$3,542,700 for grant revenue.

Carry-forwards include:

- SeaTac Business Capital Access Program
- SeaTac Digital Marketplace
- SeaTac Regional Fast Track Childcare Initiative

Decision card requests total \$4,661 for Salaries & Benefits.

SCORE Bond Fund (207) – Increase fund balance \$4,537.

Municipal Capital Improvements Fund (301) – Increase fund balance \$5,858,742 (revenue exceeded estimates by \$508,000 and expenditures came in \$5.350 under estimates).

Carry forward requests total \$3,652,947 for expenditures and \$9,175 for revenue. Carry-forwards include:

- Network Infrastructure Hardware Refresh
- City Hall HVAC Upgrade and Community Center HVAC Upgrade
- Community Center Playground Equipment Replacement
- Angle Lake Fishing Pier and Boat Ramp Refurbish
- Riverton Heights Spray Park
- Botanical Garden Entry Sign
- Bicycle Pump Track
- Permitting Software

Facility Construction CIP (306) – Increase fund balance \$174,127.

Carry forward requests total \$164,994 for expenditures. Carry-forwards include:

- Police Substation

Transportation CIP (307) - Increase fund balance \$1,463,750 (revenue was \$427,000 under estimates and expenditures came in \$1.0 million under estimates).

Carry forward requests total \$6,781,977 for expenditures and \$622,193 for grant revenue. Carry-forwards include:

- 34th Avenue South (S 160th – 166th)
- Transportation Master Plan Update 2024
- River Ridge Elementary Sidewalk Project
- ST-141 (32nd, 180th, 176th)

Decision card requests total \$47,600 for Salaries & Benefits.

Light Rail Station Areas CIP (308) – Increase fund balance \$38,841.

Carry forward requests total \$42,666 for expenditures. Carry-forwards include:

- SeaTac Signage and Gateway Project

Surface Water Management Fund (403) - Increase fund balance \$1,443,571 (expenditures came in \$1.4 million under estimates).

Carry forward requests total \$1,033,392 for expenditures. Carry-forwards include:

- Surface Water Management Action Plan
- Miller Creek Daylight / Realignment Project

Decision card requests total \$77,827 for Salaries & Benefits.

Solid Waste & Environmental Fund (404) - Increase fund balance \$520,482.

Decision card requests total \$60,530 for expenditures.

A Decision Card was submitted for a Solid Waste Intern (\$54,091). This position would work approximately 10-20 hours a week and support the Adopt-A Street and Adopt-A-Park programs, recycle events, litter control program, solid waste grant reporting, and solid waste education program.

The Decision Card to increase Salaries & Benefits equals \$6,439.

Equipment Replacement Fund (501) - Increase fund balance \$680,907.

Carry forward requests total \$315,357 for expenditures. Carry-forwards include:

- Fleet Electrification
- Vehicle Purchases

Decision card requests total \$6,970 for Salaries & Benefits.

Miscellaneous adjustments for this fund are due to revenues not matching expenditures charged to other funds.

- Increase Maintenance & Operations Revenue (\$7,126)
- Increase Capital Revenue (\$13,134)

The grand total of all funds equals \$20,412,280 increase to fund balance, \$18,277,120 for carryforwards, \$1,044,673 for decision cards, and \$5,069,278 in revenue.

Budgetary Impacts:

Ending Fund Balance Adjustments either increase or decrease the amount available to be used in the fund. These adjustments set the beginning balances in the funds to the actual amount available.

Carry-forward amounts are the unspent budgeted funds committed to projects in the prior year and are considered one-time expenditures. These items have no impact on the operational budget as they were considered unspent when projecting end of year balances and will now be brought forward into 2023 to complete the projects.

Decision Cards consist of \$1,044,673 in on-going program funding across all funds. The on-going requests will impact fund balance going forward. Our comparable cities increased their compensation 7.5% on average and SeaTac will eventually have to increase wages to remain competitive. While forecasts show utilization of reserves in 2027, we will continue to monitor and adjust accordingly.

If all requests are approved, the ending fund balance across all funds is estimated to be \$123.0 Million at the end of 2023.

All revenues appear to be on target or exceeding budget and staff are optimistic 2023-2024 will see gradual revenue growth. The projection shows the City General Fund using excess ending fund balance in 2023 and 2024, however excess fund balance will not be depleted until 2027. All other fund balances are monitored to ensure reserves remain within the amount designated in the Financial Policies.

Staff Recommendation:

Staff is requesting a recommendation to place this item on the April 25, 2023, Council Meeting consent agenda for Council approval.

EXHIBIT A
2021-2022 Biennial Budget Amendment

Revenue

		2023-2024	
		TOTAL	
001	001.334.01.20.003	\$600,000	Therapeutic Court - AOC
	001.334.01.20.004	\$149,950	Community Justice Counseor - AOC
	001.334.04.20.003	\$125,000	Dept of Commere Comp Plan Grant
113	113.332.92.10.000	\$3,542,700	ARPA Coronovirus Local Allocation
301	301.337.07.00.009	\$9,175	KC Youth Sports Pump Track Design
307	307.334.03.81.013	\$622,193	34th Ave, S 160th to S 166th TIB Grant
501	501.348.30.00.001	\$7,126	Vehicle/Equip MTC & Repair Charges
	501.348.30.00.002	\$13,134	Vehicle/Equip Cap Recovery Charges
		\$5,069,278	

Expenditures

		2023-2024	
FUND #	BARS#	TOTAL	Description
001	001.000.02.512.51.41.000	\$600,000	Professional Services - Community Court
	001.000.02.512.51.49.061	\$149,950	Registration - Community Court
	001.000.04.518.88.41.000	\$4,413	Professional Services - Cityworks Review & Configuration
	001.000.04.518.88.41.000	\$7,900	Professional Services - OnBase Upgrade
	001.000.04.518.88.41.000	\$3,853	Professional Services - Phoenix Systems Upgrade
	001.000.04.518.88.48.049	\$20,444	Equipment Repair & Maint - Network Infrastructure Refresh
	001.000.04.518.88.48.050	\$1,035	Enterprise SW & Maint - Pheonix Systems Upgrade
	001.000.06.515.45.41.022	\$173,000	Special Legal Services
	001.000.07.517.91.43.032	\$6,907	Meals - Awards Banquet
	001.000.09.525.60.35.000	\$21,267	Small Tools & Minor Equip - Projector & Screen Replacement ECC
	001.000.13.558.60.41.000	\$500,000	Professional Services - Comp Plan Update
	001.000.13.558.60.41.000	\$254,057	Professional Services - City Center/Airport Business District Plan
	Various	\$748,615	Salaries & Benefits Adjustment
Total General Fund (001)		\$2,491,441	
102	102.000.11.544.40.41.000	\$12,000	Professional Services - On-Call Geotechnical Engineering Services
	102.000.11.595.30.63.211	\$775,000	Miller Creek Daylight Project
	102.000.11.595.30.63.222	\$10,000	2022 Overlay Project
	102.000.11.595.30.63.223	\$103,261	2023 Overlay Project
	Various	\$87,569	Salaries & Benefits Adjustment
Total Street Fund (102)		\$987,830	
107	107.000.13.557.30.41.136	\$100,000	Tourism Destination Development Plan (TDDP)
	Various	\$10,899	Salaries & Benefits Adjustment
Total Hotel/Motel Fund (107)		\$110,899	
113	113.000.13.518.63.41.001	\$1,500,000	SeaTac Business Capital Access Program
	113.000.13.518.63.41.002	\$242,700	SeaTac Digital Marketplace
	113.000.13.518.63.41.003	\$1,800,000	SeaTac Regional FastTrack Childcare Initiative
	Various	\$4,661	Salaries & Benefits Adjustment
Total ARPA Grant Fund (113)		\$3,547,361	

EXHIBIT A

2021-2022 Biennial Budget Amendment

Expenditures

<u>FUND #</u>	<u>BARs#</u>	2023-2024		<u>Description</u>
			TOTAL	
301	301.000.04.518.88.35.000		\$52,987	Small Tools & Minor Equip - Network Infrastructure Refresh
	301.000.10.594.18.62.001		\$1,102,482	City Hall HVAC Upgrade
	301.000.10.594.75.62.003		\$105,008	Community Center HVAC Upgrade
	301.000.10.594.75.62.002		\$191,340	SeaTac Comm Center Impr - Comm Center Playground Equip
	301.000.10.594.76.63.169		\$121,000	Sunset Park Tennis Court Renovation
	301.000.10.594.76.63.217		\$670,388	Angle Lake Fishing Pier
	301.000.10.594.76.63.219		\$1,183,354	Riverton Heights Spray Park
	301.000.10.594.76.63.221		\$120,000	Botanical Garden Entry Sign
	301.000.10.594.76.63.222		\$15,033	Bicycle Pump Track
	301.000.13.594.18.64.092		\$212,355	Permitting Software
	Total Municipal CIP Fund (301)		\$3,773,947	
306	306.000.10.594.21.62.001		\$164,994	SeaTac Police Community Outreach
	Total Facility Constr. CIP (306)		\$164,994	
307	307.000.11.599.99.65.105		\$500,000	Transportation Master Plan Update
	307.000.11.599.99.65.307		\$471,203	River Ridge Elementary Sidewalk
	307.000.11.599.99.65.601		\$2,759,040	34th Ave S
	307.000.11.599.99.65.602		\$3,051,734	ST-141 (32nd, 180th, 176th)
	Various		\$47,600	Salaries & Benefits Adjustment
	Total Transportation CIP (307)		\$6,829,577	
308	308.000.10.576.10.41.000		\$42,666	Professional Services - Gateway Project
	Total Light Rail Station (308)		\$42,666	
403	403.000.11.531.32.41.000		\$48,392	Professional Services - SW Management Action Planning
	403.000.11.595.40.63.211		\$985,000	Miller Creek Daylight Project
	Various		\$77,827	Salaries & Benefits Adjustments
	Total SWM (403)		\$1,111,219	
404	Various		\$6,439	Salaries & Benefits Adjustments
	Total SWE (404)		\$6,439	
501	501.000.11.548.65.41.000		\$1,272	Professional Services - Fleet Electrification
	501.000.11.594.48.64.095		\$314,085	Vehicles/Heavy Equipment
	Various		\$6,970	Salaries & Benefits Adjustments
	Total Equip Rental Fund (501)		\$322,327	
	Grand Total - ALL FUNDS		\$19,388,700	

City of SeaTac Decision Card

<p>Title: Increase 2023 COLA</p> <p>Fund(s): Several</p> <p>Amount: \$ 990,581</p> <p>Mandatory? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Department: City Manager</p> <p>Director: Carl Cole</p> <p>Program: All</p> <p>Date Prepared: 04/04/2023</p> <p>Preparer: Carl Cole</p>
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Description: *(Provide a brief overview of what is being requested)*

City Manager recommendation the Council approve an additional 2023 Cost of Living Adjustment (COLA) of 4.5% for all employees, effective July 1, 2023.

Justification: *(Explain why this is being requested and/or how the request will benefit the City):*

Over the course of the last budget process, several Councilmembers expressed concern that the City of SeaTac was not competitive in the job market and expressed interest in assessment of comparative wages. Recent salary surveys have shown the City lagged in a few job classifications (corrections were made in all cases), but that base wages across the board are substantively within Council policy. The one area where the City is falling behind is in annual adjustments to wages based on economic factors. The current Collective Bargaining Agreement (CBA) requires an annual Cost of Living Adjustment (COLA) equal to 95% of the CPI-W Seattle-Tacoma-Bellevue June to June index, up to a maximum of 5%. Because economic factors have resulted in two years of higher than average inflation (2021-6.3%, 2022-9.5%), the buying power of City employees is being reduced as a consequence of the 5% cap. Additionally, current City employees are beginning to seek employment elsewhere in order to receive higher compensation, and exit interviews with those that have left indicate compensation was a primary reason for leaving. Recruiting, hiring and training are significant expenses and addressing the COLA gap will hopefully slow the flow of employees leaving the City for better financial opportunities.

Alternatives: *(List possible alternatives and/or risks if funding is not approved):*

Council can approve a different adjustment amount or not fund this request at all.

City Goal: *(Identify how this request works towards the City's Goals):*

Building Effective & Accountable Government requires staff dedicated to their jobs and eager to provide public service. Failing to retain qualified staff works against this goal.

Funding Detail:

	Fund(s)/Source	2023 Amount	2024 Amount
Expenditures:			
One-Time Costs			
On-Going Costs	001, 102, 107, 113, 307, 403, 404, 501	277,481	713,100
Total Expenditures		\$ 277,481	\$ 713,100
Revenues:			
Grant <i>(Identify Grant)</i>			
Other <i>(Identify)</i>			
Total Revenues		\$ 0	\$ 0
Total Request (Net):		\$ 277,481	\$ 713,100

City of SeaTac Decision Card

<p>Title: Solid Waste Intern</p> <p>Fund(s): 404 Solid Waste/301 Fund</p> <p>Amount: \$ 54,091</p>	<p>Department: Public Works</p> <p>Director: William Appleton</p> <p>Program: Solid Waste</p>
<p>Mandatory? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>Date Prepared: 02/17/2023</p> <p>Preparer: Mason Giem</p>

Description: *(Provide a brief overview of what is being requested)*

Creation of a Solid Waste intern position.

Justification: *(Explain why this is being requested and/or how the request will benefit the City):*

The Solid Waste Division is requested to provide an increased level of service for the community of SeaTac which both the Community and Council have asked for. Additionally, the creation of an intern position will create opportunity for people planning a career in public service to work within the field while going to school or having completed school but lacking experience. The Solid Waste Division, with the addition of an intern position would be well positioned to increase level of service within SeaTac.

Externally, our residents and businesses would see improvements in: litter pick-up and response to dumping in the rights-of-way and improved event/program coordination and execution. Specific programs include the Adopt-A-Street program which has grown to 11 volunteer groups and one community event but could have more impact with additional staffing. The position would also help volunteer groups improve at recruitment and program execution. Promoting and growing the Adopt-A-Street program including the new Adopt-A-Trail program would also be an assigned responsibility. Internally, the position would assist with hosting field staff training, conducting bi-weekly checks on hazardous waste management at City facilities and assist with reporting and documentation requirements for our hazardous waste materials management program. A dedicated staff member will ensure improved compliance with these regulations.

Alternatives: *(List possible alternatives and/or risks if funding is not approved):*

Continue to operate without an intern position. However, while programs will continue to run, they likely won't be as effective as they could be without additional staff support.

City Goal: *(Identify how this request works towards the City's Goals):*

This request Promotes our Neighborhoods and works to Build Effective and Accountable Government by improving the level of service SeaTac receives around solid waste related issues using sustainable funding generated by the solid waste franchise. It will ensure that our neighborhoods are cleaner and have greater opportunities to participate in waste reduction activities.

Funding Detail:

	Fund(s)/Source	2023 Amount	2024 Amount
Expenditures:			
One-Time Costs	301 Fund	2,500	
On-Going Costs	404- Solid Waste	16,966	34,625
Total Expenditures		\$ 19,466	\$ 34,625
Revenues:			
Grant <i>(Identify Grant)</i>			
Other <i>(Identify)</i>			
Total Revenues		\$ 0	\$ 0
Total Request (Net):		\$ 19,466	\$ 34,625

New Position Request Worksheet

(Required for all decision cards requesting a new position)

Title of Associated Decision Card: Solid Waste Intern

Position Title (Provided by HR) : Solid Waste Intern

Salary Range (Provided by HR) : \$23-\$28/hour

Limited Term Position? (Y/N) yes

Primary Duties/Responsibilities:

Provide intern level assistance within the Solid Waste Division 10-20 hours/week (1,040 hours/year) for the following activities/programs:

1. The Adopt-A-Street and Adopt-A-Park Programs, including volunteer management and promotion.
2. The Citywide Hazardous Materials Storage and Handling Program, including Department of Ecology reporting, documentation and staff training.
3. Solid Waste Division Events, including the Recycle events, The Great SeaTac Scrub Down and Get Your Green On.
4. The litter control program, including identification and coordination of illegal dumping cleanup.
5. Grant reporting for department of Waste Reduction and Recycling grant, the King County Hazardous Waste grant and the Local Solid Waste Financial Assistance grant.
6. Providing solid waste education (contamination reduction and compost service setup) to residents and businesses.

	2023	2024
Total Salary <i>(provided by Finance)</i>	13,440	29,120
Total Benefits <i>(provided by Finance)</i>	1,786	3,765
Subtotal Salary and Benefits	\$ 15,226	\$ 32,885

BARS		
Office Supplies	XXX.XX.31.008	
Uniform & Safety Clothing	XXX.XX.31.018	
Office Furniture & Equipment Computer & Hardware Telephone	XXX.XX.35.000	
	301 FUND	2,500
Cell Phone Purchase	XXX.XX.35.000	
Cell Phone Service Charges	XXX.XX.42.028	
Software Subscriptions	XXX.XX.49.053	240
Training & Conferences		240
Lodging	XXX.XX.43.031	400
Meals	XXX.XX.43.032	300
Transportation	XXX.XX.43.033	150
Registration	XXX.XX.49.061	650
Vehicle		
Vehicle Purchase	501 FUND	
Equipment Rental Charges <i>(provided by Public Works)</i>	XXX.XX.45.002	
Other <i>(specify) :</i>		
Subtotal Associated Costs		\$ 4,240
TOTAL:		\$ 34,625

2023-2024 Budget Amendment

Administration & Finance Committee

April 13, 2023





PRESENTATION OVERVIEW

PURPOSE OF PRESENTATION

To provide information about ending fund balances, carry-forwards, decision cards and amend the 2021-2022 Biennial budget.

WHY IS THIS ISSUE IMPORTANT?

1. Adjusting beginning fund balances to actual amount available provides a clearer picture of financial position.
2. Carry-Forwards are committed, but unspent, funds from the prior year required to be “carried forward” into the current budget year for projects-in-process.
3. Decision Cards increase levels of service to the community



POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

- Forward Agenda Bill 6194, an Ordinance amending the 2023-2024 Biennial Budget, to Council for action on the April 25, 2023, Consent Agenda

STAFF RECOMMENDATION

- Staff recommendation is placement on the consent agenda for action

REVIEWS TO DATE

- A&F 04/13/2023

AGENDA BILL 6194 OVERVIEW

Ending/Beginning Fund Balance

- 2022 beginning fund balance was estimated until the close of 2022
- Actual fund balance numbers become available in April
- Budget is then amended to include the actual beginning fund balance

Carry-Forwards

- Committed funds for contracts or projects not yet completed
- Required to be brought forward into the current budget year by budget amendment in order to complete the project
- These funds were not included as beginning fund balance when preparing estimates for the 2023-2024 Biennial Budget
- At year-end, calculate how much is remaining on the contract and include in budget amendment

Decision Cards

- Two decision cards were submitted for a total of \$1,044,673

AGENDA BILL 6194 OVERVIEW

General Fund (001)

- **Fund Balance**

- Increase fund balance \$4,981,395

- **Carry forwards**

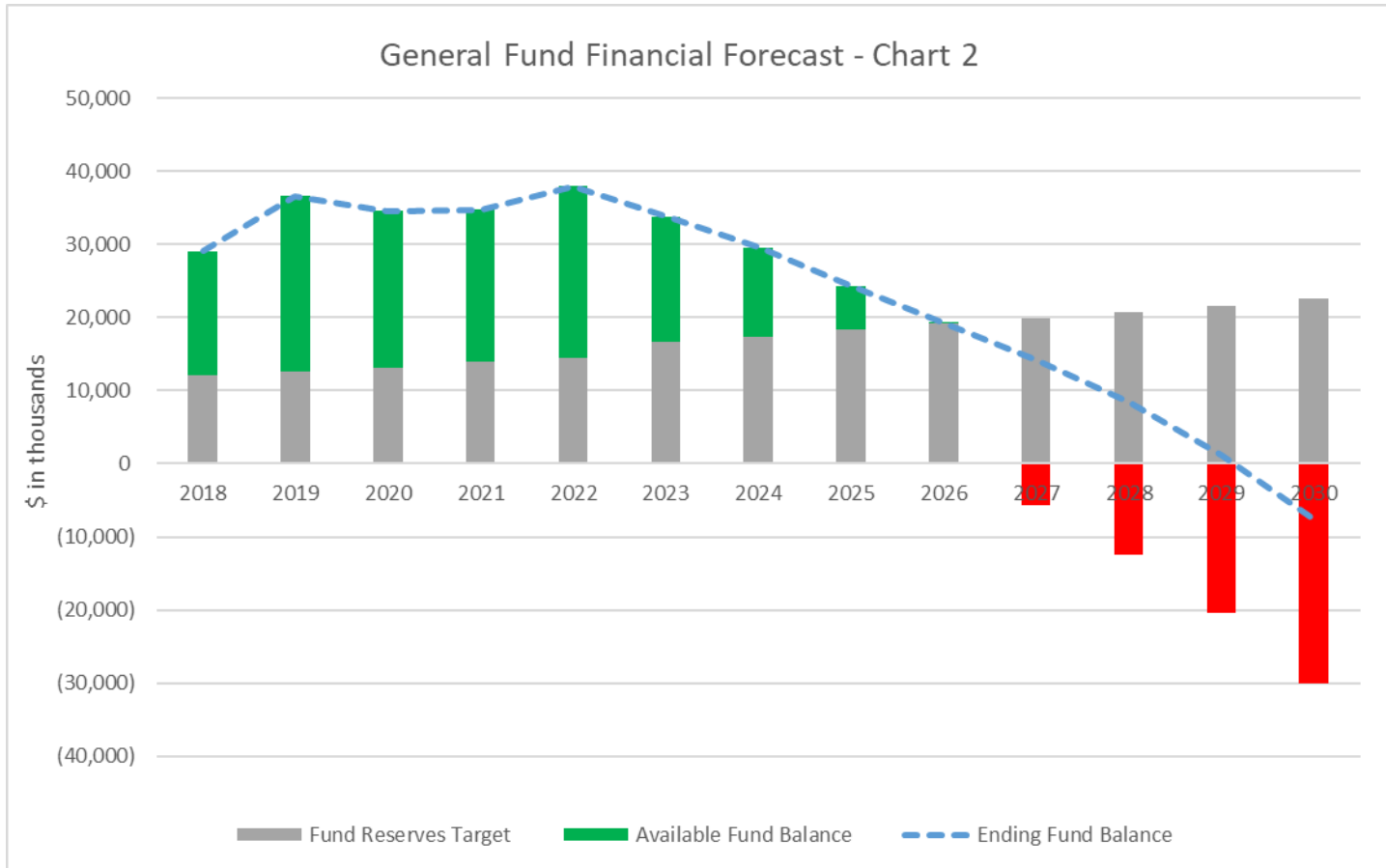
- Cityworks Needs Assessment and Configuration professional services to complete project (\$4,413)
- OnBase Upgrade professional services to complete project (\$7,900)
- Employee Awards Banquet delayed to 2023 (\$6,907)
- Phoenix Fuel Systems Upgrade hardware and supply chain issues delayed project (\$4,888)
- Network Infrastructure Hardware Refresh maintenance agreement for project (\$52,987)
- Special Legal Services – Claims & Litigation (\$173,000)
- Community Court (\$749,950) and grant revenue (\$750,000)

AGENDA BILL 6194 OVERVIEW

General Fund (001)

- **Carry forwards (continued)**
 - ECC Projector and Screen Replacement hardware not delivered (\$21,267)
 - City Center / Airport District Subarea Plan for development regulations with community engagement (\$254,057)
 - SeaTac 2044: Major Comprehensive Plan Update (\$500,000) and grant revenue (\$125,000)
- **Decision Card**
 - 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$229,261
 - 2024 = \$519,354

General Fund (001) Forecast with Decision Card



Original 2024 budgeted EFB = \$25.1 Million, now \$30.1 Million



AGENDA BILL 6194 OVERVIEW

Street Fund (102)

- **Fund Balance**

- Increase fund balance \$3,692,015

- **Carry forwards**

- On-Call Geotechnical Engineering Services to complete Task #4 (\$12,000)
- Miller Creek Daylight / Realignment Project constructs a new fish passage culvert on Des Moines Memorial Drive. This is a joint project with Burien (\$775,000)
- 2022 Overlay for project close out (\$10,000)
- 2023 Overlay to continue design work and beginning of construction (\$103,261)

- **Decision Card**

- 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$18,011
 - 2024 = \$69,558

AGENDA BILL 6194 OVERVIEW

Hotel Motel Tax Fund (107)

- **Fund Balance**

- Increase fund balance \$719,627

- **Carry forwards**

- Tourism Destination Development Plan (TDDP) a long-term strategic tourism and travel plan aimed at improving continued attraction of visitors, conventioneers, new businesses and improve visitor experience. Consultant began work in late 2022 and project completion date is anticipated mid-2023 (\$100,000)

- **Decision Card**

- 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$0
 - 2024 = \$10,899

AGENDA BILL 6194 OVERVIEW

ARPA Fund (113)

- **Fund Balance**

- Increase fund balance \$57,082
- Revenue is recognized when earned, FB only recognizes interest earnings
- Total funds available \$3,091,327

- **Carry forwards**

- SeaTac Business Capital Access Program (\$1,500,000)
- SeaTac Digital Marketplace (\$242,700)
- SeaTac Regional Fast Track Childcare Initiative (1,800,000)

- **Decision Card**

- 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$0
 - 2024 = \$4,661

ARPA Fund (113)

	2022 ACTUAL	2023 BUDGET	2024 BUDGET
Beginning Fund Balance	\$ -	\$ 8,146,328	\$ 3,610,458
Grant Revenue	\$ 8,115,494	\$ -	\$ -
Interest Revenue	68,336	20,695	18,695
Total Revenue	\$ 8,183,830	\$ 20,695	\$ 18,695
Program Expenditures			
Community Outreach	\$ 37,502	\$ 463,872	\$ 311,606
Small Business Capital Access Program	-	1,500,000	-
Digital Marketplace	-	242,700	-
Regional FastTrack Childcare	-	1,800,000	-
Grant Administration		155,346	170,573
Community Center Backup Generator		342,900	3,900
Network Security Subscription		51,747	51,747
Program Expenditure Totals	\$ 37,502	\$ 4,556,565	\$ 537,826
Ending Fund Balance Available	\$ 8,146,328	\$ 3,610,458	\$ 3,091,327

AGENDA BILL 6194 OVERVIEW

Municipal CIP Fund (301)

- **Fund Balance**

- Increase fund balance \$5,858,742

- **Carry forwards**

- Network Infrastructure Hardware Refresh on order not delivered (\$52,987)
- City Hall HVAC Upgrade and Community Center HVAC Upgrade (\$1,425,488)
- Community Center Playground Equipment Replacement ordered but not delivered (\$191,340)
- Angle Lake Fishing Pier and Boat Ramp Refurbish currently in design (\$670,388)
- Riverton Heights Spray Park currently in design (\$1,183,354)
- Botanical Garden Entry Sign contingent on steering committee recommendations for design (\$120,000)

AGENDA BILL 6194 OVERVIEW

Municipal CIP Fund (301)

- **Carry forwards (continued)**
 - Bicycle Pump Track is substantially complete (\$15,033 Expenditure and \$9,175 grant revenue)
 - Permitting Software project nearing completion (\$212,355)

AGENDA BILL 6194 OVERVIEW

Facility Construction CIP (306)

- **Fund Balance**
 - Increase fund balance \$174,127
- **Carry forwards**
 - Police Substation (\$164,994) within the Polaris Development.

AGENDA BILL 6194 OVERVIEW

Transportation CIP Fund (307)

- **Fund Balance**

- Increase fund balance \$1,463,750

- **Carry forwards**

- 34th Avenue South (S 160th – 166th) construction contracts (\$2,759,040) and TIB grant revenue (\$622,194)
- Transportation Master Plan Update 2024 consultant contract (\$500,000)
- River Ridge Elementary Sidewalk Project consulting services for right-of-way acquisitions and easements and consulting services for environmental engineering to support design and construction (\$471,203)
- ST-141 (32nd, 180th, 176th) construction contracts (\$3,051,734)

- **Decision Card**

- 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$4,728
 - 2024 = \$42,872

AGENDA BILL 6194 OVERVIEW

Light Rail Station Areas CIP (308)

- **Fund Balance**
 - Increase fund balance \$38,841
- **Carry forwards**
 - SeaTac Signage and Gateway Project (\$42,666) is in final stages of draft concept for stakeholder and community feedback.

AGENDA BILL 6194 OVERVIEW

Surface Water Management Fund (403)

- **Fund Balance**

- Increase fund balance \$1,443,571

- **Carry forwards**

- Surface Water Management Action Plan required for completion of the NPDES Permit. (\$48,392)
- Miller Creek Daylight / Realignment Project constructs a new fish passage culvert on Des Moines Memorial Drive. This is a joint project with Burien. (\$985,000)

- **Decision Card**

- 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$21,023
 - 2024 = \$56,804

AGENDA BILL 6194 OVERVIEW

Solid Waste & Environmental Fund (404)

- **Fund Balance**

- Increase fund balance \$520,482

- **Decision Cards**

- Solid Waste Intern (\$54,091)
 - Work approximately 10-20 hours a week
 - Adopt-A Street and Adopt-A-Park programs
 - Recycle events
 - Litter control program
 - Solid waste grant reporting
 - Solid waste education program
- 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$2,136
 - 2024 = \$4,303

AGENDA BILL 6194 OVERVIEW

Equipment Replacement Fund (501)

- **Fund Balance**
 - Increase fund balance \$680,907
- **Carry forwards**
 - Fleet Electrification Study to provide electric vehicle needs assessment (\$1,272)
 - Vehicles and Equipment not delivered in 2022 (\$314,085)
- **Miscellaneous Adjustments**
 - Increase Maintenance & Operations Revenue (\$7,126)
 - Increase Capital Revenue (\$13,134)
- **Decision Card**
 - 4.5% Cost of Living Adjustment effective 7/1/2023
 - 2023 = \$2,322
 - 2024 = \$4,648

AGENDA BILL 6194 OVERVIEW

Fund Balance Adjustments

- **Port ILA Fund (105)**
 - Increase fund balance \$34,611
- **Transit Planning Fund (106)**
 - Decrease fund balance \$51,747
- **Building Management Fund (108)**
 - Increase fund balance \$112,782
- **Des Moines Creek Basin ILA (111)**
 - Decrease fund balance \$612,651
- **Affordable Housing Sales Tax (112)**
 - Increase fund balance \$68,904
- **SCORE Bond Fund (207)**
 - Increase fund balance \$4,537
- **Facility Construction CIP (306)**
 - Increase fund balance \$174,127

Fund Balance For All Funds

2023-2024 BIENNIAL BUDGET (EXPENDITURES + ENDING BALANCES) = \$ 285,485,241				
FUND	BEGINNING BALANCE	REVENUES & OTHER SOURCES	EXPENDITURE APPROPRIATION	ENDING BALANCE
001 General Fund	\$ 38,038,690	\$ 93,749,333	\$ 101,642,243	\$ 30,145,779
102 Street Fund	9,086,197	21,028,486	12,072,533	\$ 18,042,150
105 Port ILA	13,049,905	3,066,578	3,171,751	\$ 12,944,732
106 Transit Planning	410,101	570,960	151,045	\$ 830,016
107 Hotel/Motel Tax	11,183,688	3,859,200	3,193,790	\$ 11,849,098
108 Building Management	3,727,788	566,022	578,336	\$ 3,715,474
111 Des Moines Creek Basin ILA	4,320,685	727,100	3,404,445	\$ 1,643,340
112 Affordable Housing Sales Tax	205,300	297,290	378,000	\$ 124,590
113 ARPA Grant	68,336	1,591,081	1,551,691	\$ 107,726
114 Restricted Public Safety Fund	-	156,526	120,400	\$ 36,126
207 SCORE Bond Servicing	390,871	287,863	283,063	\$ 395,671
301 Municipal Capital Improvements	19,209,571	6,599,254	13,014,696	\$ 12,794,129
306 Facility Construction CIP	3,750,367	41,700	600,000	\$ 3,192,067
307 Transportation CIP	18,602,849	5,267,755	8,604,191	\$ 15,266,413
308 Light Rail Station Areas CIP	3,030,848	120,750	800,000	\$ 2,351,598
403 SWM Utility	7,006,547	8,582,000	8,442,078	\$ 7,146,469
404 Solid Waste & Environmental	1,467,037	863,900	620,248	\$ 1,710,689
501 Equipment Replacement	2,259,169	2,301,493	3,809,670	\$ 750,992
TOTAL BIENNIAL BUDGET	\$ 135,807,950	\$ 149,677,291	\$ 162,438,180	\$ 123,047,061



AGENDA BILL 6194 OVERVIEW

Grand Totals Across all Funds

- \$20,412,280 Fund balance
- \$18,277,120 Carry forwards
- \$1,044,673 Decision cards
- \$5,069,278 Revenue

Budgetary Impacts

- Ending fund balance adjustments increase or decrease amount available to be used. Majority of funds have increases to fund balance.
- Carry forwards are required to fulfill contracts the City committed to in 2022 but did not complete. No impact to budget
- Decision cards increase levels of service to community. While forecasts show utilization of reserves in 2027, we continue to monitor and adjust accordingly.

POTENTIAL COMMITTEE ACTION

COMMITTEE ACTION REQUESTED

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STAFF RECOMMENDATION

- Staff recommendation is placement on the consent agenda for action

REVIEWS TO DATE

- A&F 04/13/2023



MEMORANDUM

To: Administration and Finance Committee
Through: Carl Cole, City Manager
From: Gwen Pilo, Finance and Systems Director
Date: April 13, 2023
Re: March 31, 2023, Investment Report

Attached is the March 2023 Portfolio Analysis Report.

At the end of March, the city had \$ 64,965,841 in cash and short-term investments and \$80,438,689 in long-term investments at market value. Total cash on hand and investments equals \$145,404,689, a decrease of \$399,052 over the previous month.

Interest received during the month was \$122,424 from bonds and \$228,441 from the LGIP. Interest paid for the year is \$913,252.

The 90-day T-bill lost some ground and is at 4.68% from 4.72%. The LGIP has jumped from 4.61% in February to 4.76% in March. The 2-year Treasury note saw a sharp decline to 4.06% (was 4.81% in February).

SeaTac Yield is 2.04%. We continue to lag behind our benchmark because we did not make any investments at the higher rates earlier.

Total Funds City of SeaTac

Compliance Report

3/31/2023

Maturity Constraints	Policy Requirement	% of Total Accumulated	Portfolio Allocation	Within Limits
Under 30 days	10%	45%	64,965,841	YES
Under 1 year	25%	60%	86,683,681	YES
Under 5 years	100%	100%	145,404,530	YES
Maximum Weighted Average Maturity	3.00		2.08	
Maximum Single Maturity	5 Years		4.66	

Asset Allocation Diversification	Maximum Policy Allocation	Issuer Constraint	Percentage of Portfolio	Market Value	% within Limits
U.S. Treasury Obligations	100%		6.61%	\$ 9,614,064	
U.S. Agencies Primary	100%		45.15%	\$ 65,652,774	YES
FHLB		30%	21.33%	\$ 31,009,141	YES
FNMA		30%	5.66%	\$ 8,235,510	
FHLMC		30%	7.50%	\$ 10,909,859	
FFCB		30%	10.66%	\$ 15,498,264	
U.S. Agencies Secondary	20%		1.35%	\$ 1,958,150	YES
FICO		10%	0.00%	\$ -	YES
FARMER MAC		10%	1.35%	\$ 1,958,150	
Municipal Debt Obligations	20%	5%	2.21%	\$ 3,213,701	
Certificates of Deposits	15%	5%		\$ -	
Bank Time Deposits & Savings Accounts	50%		5.64%	\$ 8,202,174	YES
Local Government Investment Pool	100%		39.04%	\$ 56,763,667	YES
Total			100%	\$ 145,404,530	

Portfolio by Fund Allocation	Par Amount	Total Adjusted Cost	Market Value	YTD Unrealized Gain/Loss	Yield to Maturity
City of SeaTac - Core Investment Funds	\$ 83,808,000	\$ 84,419,555	\$ 80,438,689	\$ (3,980,866)	2.04%
City of SeaTac Liquidity Funds	\$ 64,965,841	\$ 64,965,841	\$ 64,965,841		
TOTAL PORTFOLIO	\$ 148,773,841	\$ 149,385,396	\$ 145,404,530	\$ (3,980,866)	

Cit of SeaTac
Investment Portfolio Analysis
As of 3/31/2023

Month	SeaTac Portfolio			Monthly Interest Earned (Accrual Basis)		
	2021	2022	2023	2021	2022	2023
January	27,541,000	62,808,000	83,808,000	182,914	44,256	122,256
February	34,503,000	62,808,000	83,808,000	38,233	14,889	21,250
March	43,503,000	62,808,000	83,808,000	68,750	98,500	122,424
April	43,503,000	64,808,000		39,500	39,549	
May	43,503,000	64,808,000		20,000	45,075	
June	43,453,000	64,808,000		101,875	101,750	
July	41,453,000	74,808,000		42,506	43,506	
August	43,453,000	74,808,000		2,500	25,000	
September	43,453,000	73,808,000		98,500	98,500	
October	43,453,000	69,808,000		32,500	95,703	
November	48,443,000	79,808,000		28,200	68,200	
December	62,808,000	77,808,000		101,750	126,750	
Average	43,255,750	69,474,667	83,808,000	63,102	66,806	88,643

Month	LGIP			Monthly Interest Earned (Accrual Basis)			Year to Date Interest Earned		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
January	73,134,760	48,196,331	56,336,037	8,662	3,719	219,694	191,576	47,975	341,949
February	63,142,122	48,200,336	56,535,226	7,362	4,005	199,189	237,171	66,868	562,388
March	63,148,231	48,209,571	56,763,667	6,109	9,235	228,441	312,030	174,603	913,252
April	63,153,525	48,225,611		5,294	16,040		356,824	230,192	913,252
May	63,157,624	48,254,460		4,099	28,850		380,923	304,116	913,252
June	63,161,553	48,294,564		3,910	40,104		486,707	445,970	913,252
July	63,171,099	58,369,443		9,566	74,879		538,778	564,354	913,252
August	63,175,331	55,479,251		4,232	109,808		545,510	699,163	913,252
September	63,179,850	55,596,045		4,519	116,793		648,529	914,456	913,252
October	63,184,881	55,739,287		5,031	143,242		686,060	1,153,401	913,252
November	48,188,898	55,911,388		4,018	172,101		718,278	1,393,702	913,252
December	48,192,612	61,116,344		3,714	204,956		823,742	1,725,408	913,252
Average	61,499,207	52,632,719	56,544,977	5,543	76,978	215,774	493,844	643,351	836,405

Month	2 Yr T-Note			90 Day T Bill		
	2 Yr T-Note 2021	2 Yr T-Note 2022	2 Yr T-Note 2023	90 Day TBill 2021	90 Day TBill 2022	90 Day TBill 2023
January	0.11%	1.18%	4.21%	0.06%	0.24%	4.58%
February	0.14%	1.44%	4.81%	0.04%	0.37%	4.72%
March	0.16%	2.28%	4.06%	0.03%	0.51%	4.68%
April	0.16%	2.70%		0.01%	0.81%	
May	0.14%	2.53%		0.01%	1.13%	
June	0.25%	2.92%		0.05%	1.66%	
July	0.19%	2.89%		0.06%	2.34%	
August	0.20%	3.45%		0.04%	2.87%	
September	0.28%	4.22%		0.04%	3.26%	
October	0.48%	4.51%		0.05%	4.06%	
November	0.52%	4.38%		0.05%	4.27%	
December	0.73%	4.41%		0.05%	4.30%	
Average	0.28%	3.08%	4.36%	0.04%	2.15%	4.66%

Month	SeaTac Current Yield			LGIP Interest Rate			2023 Budget		
	City 2021	City 2022	City 2023	LGIP 2021	LGIP 2022	LGIP 2023	Actual	Budget	% of Budget
January	1.24%	0.78%	2.04%	0.14%	0.09%	4.39%	341,949	124,253	275%
February	0.96%	0.78%	2.04%	0.14%	0.11%	4.61%	220,439	124,253	177%
March	0.88%	0.78%	2.04%	0.11%	0.23%	4.76%	350,864	124,253	282%
April	0.88%	0.96%		0.10%	0.40%		-	124,253	0%
May	0.88%	0.96%		0.08%	0.70%		-	124,253	0%
June	0.88%	0.96%		0.08%	1.01%		-	124,253	0%
July	0.89%	1.28%		0.18%	1.63%		-	124,253	0%
August	0.89%	1.28%		0.08%	2.24%		-	124,253	0%
September	0.89%	1.27%		0.09%	2.56%		-	124,253	0%
October	0.86%	1.32%		0.09%	3.03%		-	124,253	0%
November	0.76%	1.84%		0.09%	3.76%		-	124,253	0%
December	0.78%	1.85%		0.09%	4.13%		-	124,252	0%
Average	0.90%	1.17%	2.04%	0.10%	1.66%	4.59%	913,252	1,491,035	61.25%

**CITY OF SEATAC
INVESTMENT POLICY COMPLIANCE REPORT**

Date of Report: 04/13/2023

Period Covered: **March 31, 2023**

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	2022 review completed, next review in 2025	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 January 2023. 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	6.61%	
US Agency Primary	100%, 30% per issuer	Compliant	45.15%	
US Agency Secondary Issuance	20%, 10% per issuer	Compliant	1.35%	
Local Government	100%	Compliant	39.04%	

Investment Pool				
Bank Deposits	50%	Compliant	5.64%	
Certificates of Deposits	15%, 5% per issuer	Compliant	0%	
Municipal Bonds	20%, 5% per issuer	Compliant	2.21%	
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	2.08 Years	Monthly
9.2 Investment Maturity Maximum Maturity	Maximum Maturity of Individual Issue 5 Years	Compliant	4.66 yrs. 11/26/2027	Monthly
10.0 Reporting Requirements	Annual, Quarterly & Monthly	Compliant	Monthly reports provided to Administration and Finance Committee	Monthly
10.2 Performance Standards	LGIP average for earnings rate US Treasury index average for total return	Compliant	<u>LGIP</u> 4.59% <u>Investment Core</u> 4.36% <u>Total Portfolio</u> 2.04%	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	Investment Committee Annual Review	Compliant	Reviewed December 2022. No changes required.	Annual
11.0 Investment Policy Adoption	Policy shall be adopted by City Council	Compliant	Adopted 10-10-2019	Changes Adopted As Needed