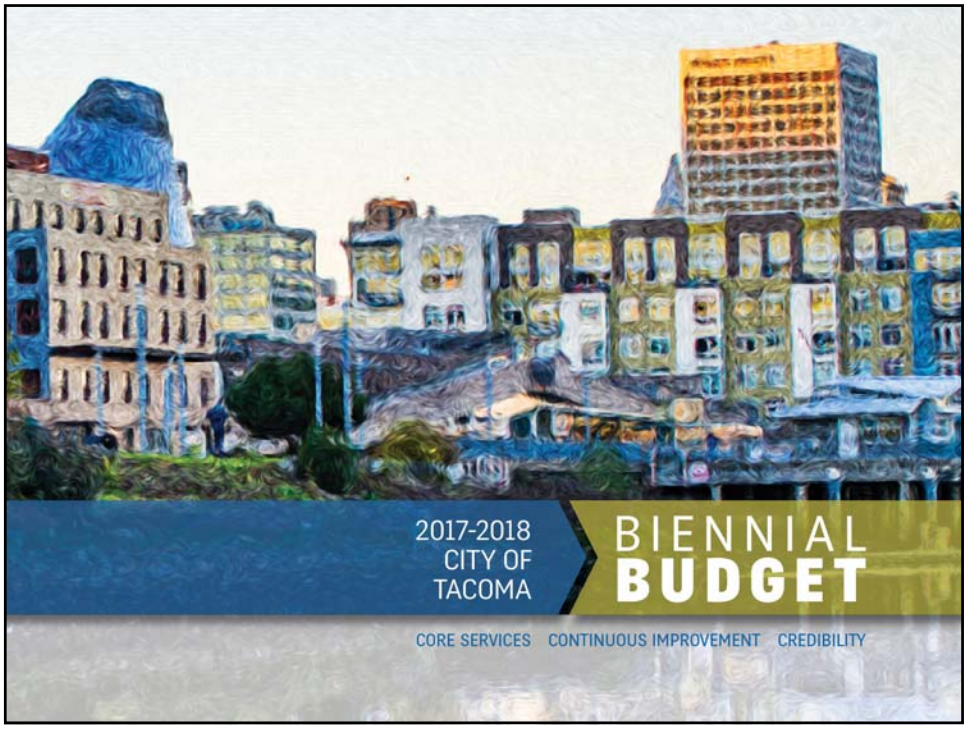


2017-2018 Proposed Biennial Budget

T.C. Broadnax, City Manager

City Council Budget Worksession

October 4, 2016

Agenda

- Budget Overview
- Budget Development Process
- Financial Overview
- Proposed Budget Highlights
- Summary and Next Steps

Budget Overview

- 2017-2018 Biennial Proposed Budget
  - Meets budget strategy goals and reflects City Council priorities
  - General Fund is structurally balanced and maintains 15% reserves
    - Reflects commitment to strong fiscal management
  - Includes Revenue Enhancements
  - Includes Strategic Efficiencies

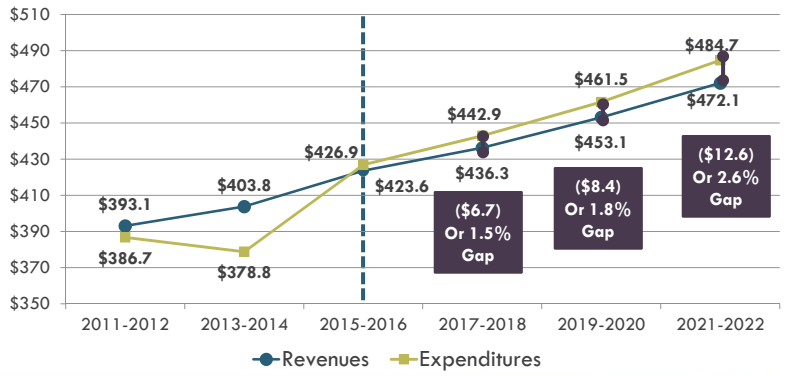
2017-2018 Budget Development Process

2017-2018 City Council Priorities

- **Infrastructure** – Improve pedestrian and bike safety, energy efficiency, and streets conditions
- **Safety** – Address safety concerns and improve community based approaches (outreach, positive relationships, communication)
- **Housing/Homelessness** – Address the length of time of homelessness and repeated incidents of homelessness and increase affordable housing
- **Economic Development** – Facilitate increases in private investment

General Fund Forecast - May 2016

($ in millions)



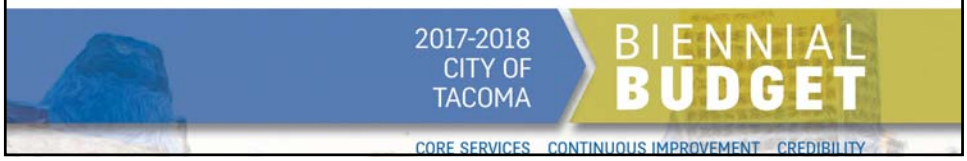
2017-2018 Community Feedback

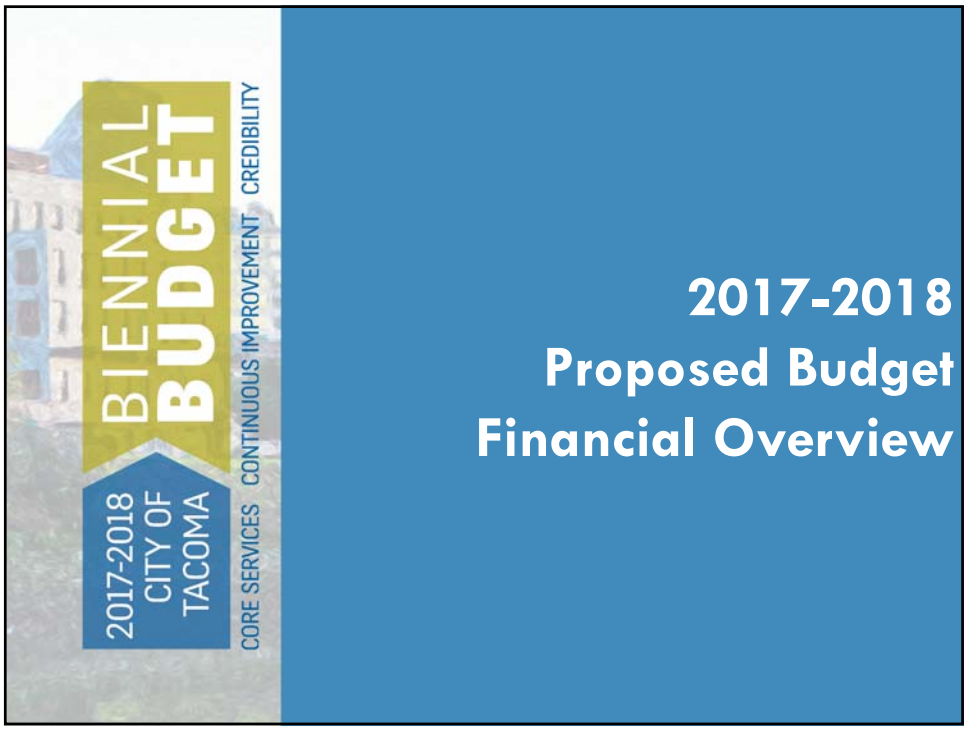
T-Town Event Feedback Services in order of Priority (780 Participants)	
1	Fix streets in poor condition
2	Increase homeless services
3	Clean, green, and beautify the city
4	Make streets safer for bikes & pedestrians
5	Increase affordable housing
6	Improve community policing
7	Upgrade to energy efficient facilities, streetlights, & signals
8	Invest in blighted areas of the city
9	Attract private investment

- T-Town Event
  - Allocation Station (780 participants)
- Budget Website
  - Information on current budget and forecast
  - Survey (190)
- Neighborhood Council and Community Meetings
  - 10 Meetings with more than 380 participants

Budget Development Strategy

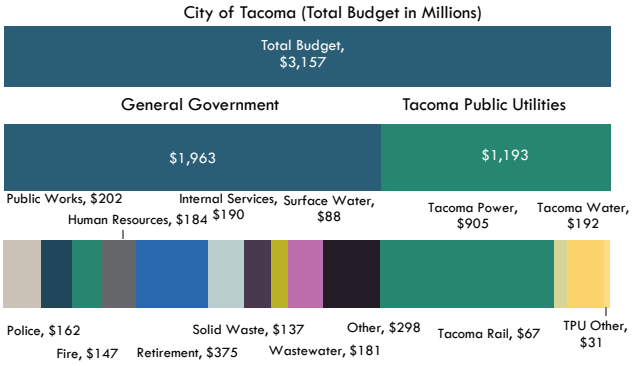
- Continue sound financial management practices
- Maintain or expand services that create a safe, vital, and livable community
- Ongoing revenues support ongoing expenditures and initiatives
- Address outstanding deferred maintenance issues
- Continue performance measurement efforts toward Tacoma 2025



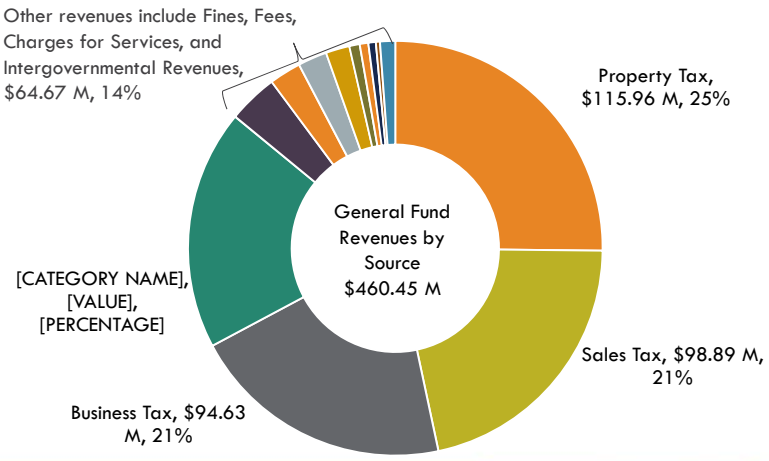


2017-2018 Proposed Budget Financial Overview

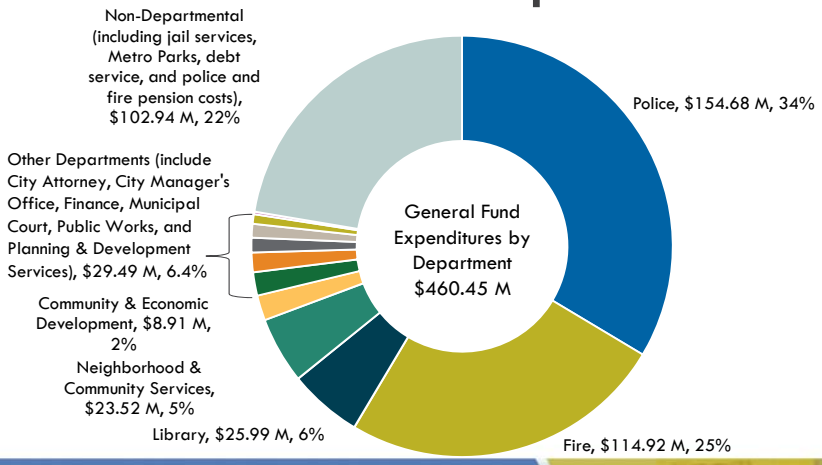
Citywide Budget



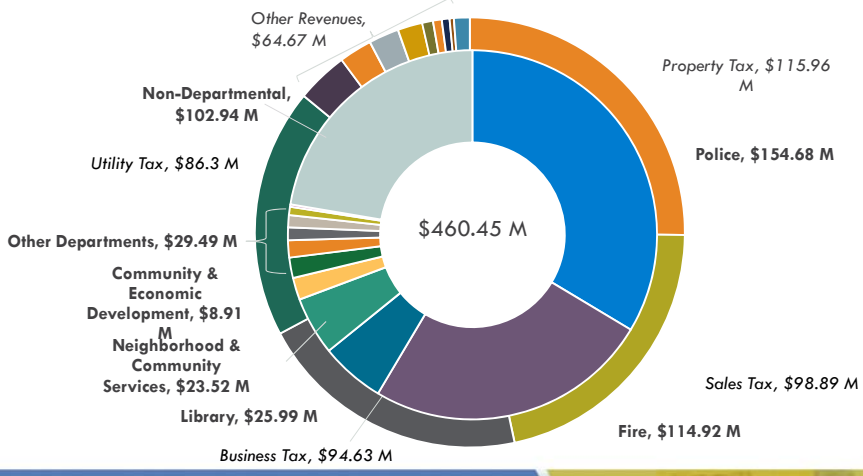
General Fund Revenues



General Fund Expenditures



2017-2018 General Fund



Closing Forecasted General Fund Gap

- Positive revenues and resources
  - Favorable 2015-2016 revenues trends increased projections for 2017 and beyond
  - Enhanced 2017-2018 revenues
    - Fees and Licenses
- Updated projections/trends for expenses
- Targeted ongoing reductions

One-Time and Capital Funding

- 2015-2016 expenditure savings
- 2015-2016 positive revenues
- Positive trends in Real Estate Excise Tax revenues
- Bonding capacity available due to increased assessed value

2017-2018 One-Time and Ongoing Enhancements

- $9.8 M in ongoing service enhancements funded through
  - Positive trending base revenues
  - Enhanced license fees/increases
  - Targeted ongoing efficiencies/reductions
- $19.8 M in one-time General Fund expenditures funded through one-time savings and revenues from 2015-2016

Reserves

- Proposed budget maintains $34.6 M or 15% of expenditures for General Fund reserves
- Sets aside $3.3 M in funding for BCPA Capital Campaign ($2.5 M) and Body Camera Implementation ($800 K) in 2019-2020

2017-2018 Proposed Budget Highlights

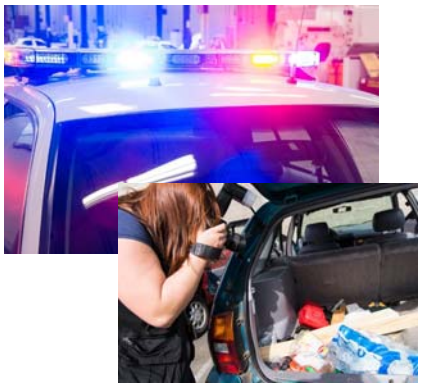
Public Safety

- Represents 59% of General Fund expenditures
- Enhances police officer and fire station personnel
- Fully funds firefighters and police officers no longer funded through federal grants

Public Safety

Police

- Seven-member Violence Reduction Team – $1.8 M
- Two Property Crimes Detectives – $650 K
- Two Background Investigators – $485 K



Public Safety

Police

- Animal Control Officer – $195 K
- School Resource Sergeant – $344 K
- Advanced Training Officer – $247 K
- Latent Print Examiner – $210 K
- Computer Services Technician – $161 K
- Community Relations Specialist – $210 K

Public Safety

Fire

- Four positions to restore Squad 15 to 3-person engine company – $850 K
  - Located in East Tacoma
- Four positions to add Aid Vehicle – $950 K
  - Address increased volume of emergency medical services calls

Public Safety

Fire

- FD CARES Program – 2 FTE ($401 K)
- New Fire Alerting System ($400 K)

Infrastructure

Continued implementation of the Streets Initiative ($50.3 M – 1,200 city blocks)

- Base ongoing City funding of $18.8 M
- Street Initiative funding $31.5 M

Infrastructure

Convert to LED lights

- Public Works and TPU partnership
- Replace and upgrade over 75% of City's streetlight network to LED technology
  - 16,400 of City's 21,600 streetlight fixtures
- Conversion costs funded through energy and maintenance savings

Old Lighting

New LED Lighting

Infrastructure

- Bike and pedestrian trails ($1.5 M)
- Pedestrian safety ($2 M)
  - School zone flashing beacons ($1 M)
  - Safe Routes to Schools ($500 K)
  - Unsafe Sidewalk Repair Program ($500 K)

Infrastructure

Foss Waterway improvements ($2.5 M)

- Repair Site 12 Seawall
- Remove Municipal Dock timber elements

Infrastructure

Tacoma Dome

- $19.8 M in bond funded improvements
  - Upper and lower bowl seating ($13.2 M)
  - Dressing rooms/production space ($4 M)
  - Fire alarm system/security modifications ($2.1 M)
  - Loading docks ($500 K)
- $900 K other improvements

Community Services

Homelessness

- Behavioral Health Hospital ($1.5 M)
- Teen Home and Youth Shelter (additional $1 M)
- Hot Spot Hardening ($825 K)
- Wraparound Services at Faith Based Organizations ($683 K)

Community Services

Library

- Facilities Upgrades ($635 K)
  - Upgrades to the Main Library elevator
  - Refurbishment of the South Tacoma and Kobetich Branch Libraries
- RFID Phase III ($202 K)
- Staff at library at McCarver Elementary ($50 K)

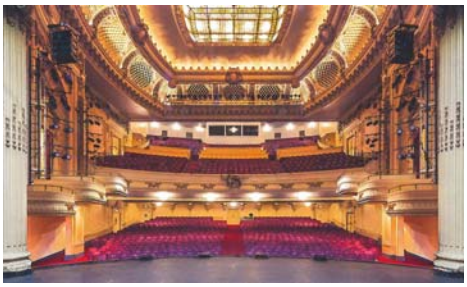
Community Services

- Eastside Community Center ($5 M)
  - Public-private partnership
  - Swimming pool, gym, after-school activities, and nature hikes
- Senior and Community Facilities ($481 K)

Economic Development

- South Tacoma ($1.2 M)
  - Future LID leverage
- Lincoln District Revitalization ($123 K)
  - Outreach portion of project
- Urban Design Studio ($342 K)
  - Technical design and data resource

Economic Development



- Program Development Specialist for Public Arts Partnership ($180 K)
- Broadway Center for Performing Arts Capital Campaign Contribution ($3 M)

Deferred Maintenance

- General Government Fleet Replacements
  - $5 M for Police, Fire and Public Works replacement vehicles
- Streets, Tacoma Dome, Other Facilities

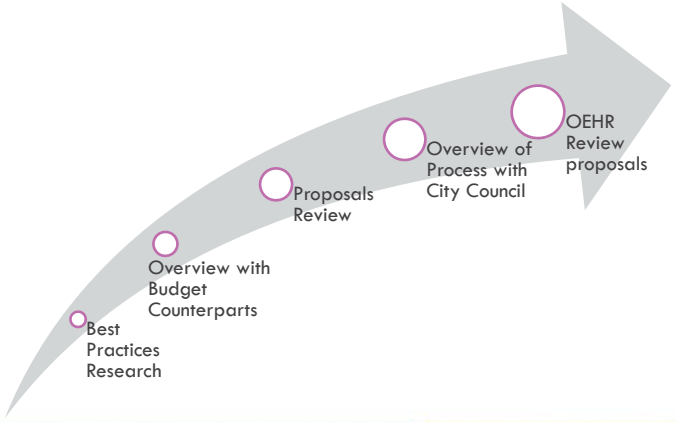
Efficient Government

- Procure-to-Pay Automation System ($2.2 M)
- Electronic Records Management – Tacoma Information Management System (TIMS - $1.5 M)
- SAP HANA ($2.3 M)
- Enhanced Tacoma311 Staffing Support ($167 K)

Environmental Sustainability

- Phase 2 of the City's Climate Change study
- Woodstove Program Support
- Resource Conservation Program
- Electric Vehicle Program
- Equitable Access to Healthy Food
- Urban Forest Management Plan
- Commingled Recycling

Equity in the Budget Process



Equity in the Budget Process

Small Business Enterprise (SBE) Contracting Disparity Study

McCarver Elementary Library Support

Lincoln Business District Revitalization

My Brother's Keeper Cities United

Welcoming Cities

Citywide Equity Training

Community Relations Staff for Police

Digital Equity Program

Summer Jobs 253

Equitable Access to Healthy Food

Woodstove Replacement Program

Funding for County Behavioral Health Hospital

Police/Fire Cadet Program

Human Resources Hiring Disparity Study

Rates and Fee Updates

Animal Licenses – generates additional $200 K biennially

Type of License	Current Fee	Proposed Fee	Change in Fee
Cat License (spayed/neutered)	$12	$20	$8
Dog License (spayed/neutered)	$20	$30	$10
Cat License (not spayed/neutered)	$55	$65	$10
Dog License (not spayed/neutered)	$55	$65	$10
Discounted Senior Citizens' Pet License			
Cat (spayed/neutered)	$5	$5	$0
Dog (spayed/neutered)	$10	$10	$0
Cat (not spayed/neutered)	$30	$35	$5
Dog (not spayed/neutered)	$30	$35	$5

Rates and Fee Updates

Business Licenses – generates $3.8 M additional biennially

Proposed New Structure with Third Tier	Current Fee	Proposed Fee	Change in Fee
Businesses gross less than $12,000	$25	$25	$0
Businesses gross between $12,000-$249,999	$90	$110	$20
Businesses gross over $250,000	$90	$250	$160

Open Space

- Dedicated 0.5% Surface Water rate increase in 2017 and 2018 in both years
  - Generates $500,000 in new revenue
  - Converts additional acres into restoration and continues to maintain restored areas
  - Provides surface water filtration and flow control and helps control erosion

Major Changes to the Budget

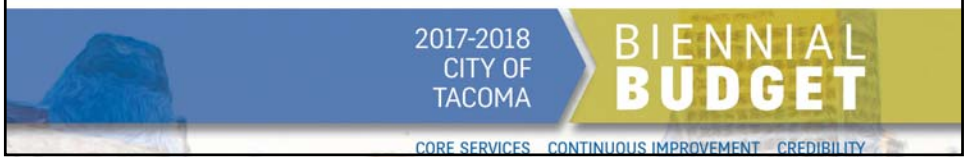
- Non-Departmental
  - Internal Fund Transfers ($20 M)
  - Jail Costs ($11 M)
- Multi-Year Capital Appropriation
- Assessments and Internal Service Fund
- Performance Management Structure – Aligned with Tacoma 2025

Other Changes

- Tacoma Venues & Events
  - Formerly Public Assembly Facilities
- Office of Arts & Cultural Vitality

Unfunded Items

- Funding not included in the 2017-2018 Budget
  - Link Light Rail Expansion
  - Foss Waterway Authority LID



Budget Summary

- 2017-2018 Biennial Proposed Budget
  - Meets budget strategy goals and reflects City Council priorities
  - Reflects commitment to strong fiscal management
    - General Fund structurally balanced and maintains 15% reserves
  - Focuses on core services

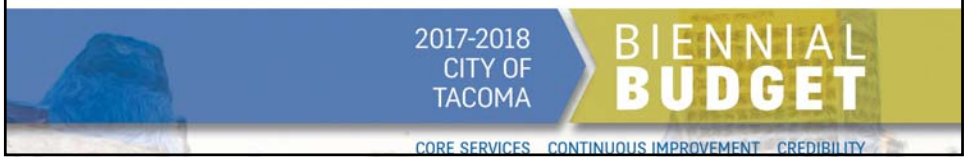
2017-2018 Budget Development

Calendar of Events

Date	Topics
October 4	Proposed Budget
October 11	Capital, Public Works, Tacoma Events & Venues, and Planning & Development Services
October 18	Tacoma Public Utilities and Environmental Services
October 25	General Fund Revenues, Cost Drivers, Police, and Fire
November 1	Municipal Court, Library, Community & Economic Development, Neighborhood & Community Services, and 1st Public Hearing at City Council Meeting
November 8	Internal Services, Non-Departmental, Wrap-Up, and 2nd Public Hearing at City Council Meeting
November 15	First Reading of Ordinance at City Council Meeting
November 22	Second Reading of Ordinance at City Council Meeting

2017-2018 Budget Development
Calendar of Events

Date & Time	Community Meetings
October 10 6 pm	University of Puget Sound Wheelock Student Center Rotunda 1500 N Warner St.
October 12 6 pm	Fire Station # 8 4911 S. Alaska St.
TBD	Lincoln High School 701 S. 37th St.



2017-2018 Proposed Biennial Budget

T.C. Broadnax, City Manager

City Council Budget Worksession

October 4, 2016