

**Financial Sustainability Task Force  
Draft Meeting Summary for June 19, 2013**

Attending:

<b>Panel Members:</b>			
Pierson Clair	✓	Ryan Mudie	✓
Scott Ramsey	✓	Christopher Tracy	✓
Tyler Shillito	✓	Toby Murray	
Eve Bowen	✓	Andrew Buelow	
Clayton Harris		Roberta Marsh	✓
Reggie Frederick	✓	Lyle Quasim	✓
Ken Kingsbury	✓	Allan Trinkwald	✓
Lois Bernstein	✓	Troy Goodman	✓
Jim Leonard		Gary Gilchrist	✓
Alice A Phillips			
<b>Alternate Members:</b>			
William King	✓	Kit Evans	✓
Budd Wagner		Nick Leider	
Ruth Smith		Bill Dickens	
Matt Frank		Emily Hall	
Terry Krause		Bruce Kendall	
Brian Haynes		Mary Byrne	
<b>Staff and Others<sup>1</sup>:</b>			
Karen Reed (facilitator)	✓	T.C. Broadnax	✓
Andy Cherullo	✓	Mayor Strickland	✓
Tadd Wille	✓		

**Welcome and Introductions.** Mayor Strickland welcomed the group and provided a slide show that included the mission and duties of the Task Force.

T.C. Broadnax gave opening comments, thanked the Task Force for the investment of their time and assured all that his team would do their best, within the limits of staffing and available information, to get answers to the Task Force member questions.

Karen Reed introduced herself and explained her role as facilitator.

**Roundtable Discussion.** Task Force members shared reasons why they are interested and willing to serve on the Task Force.

**Panel Organization.** Karen reviewed a set of proposed ground rules with the group. *There were no objections to the ground rules and they will be considered adopted.*

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<sup>1</sup> Only those individuals sitting at the head table or giving presentations to the Task Force are included on this list. A number of other staff attended the meeting.

**Draft Charter.** Karen reviewed the terms of a proposed charter to further guide the work of the Task Force. A suggestion was made to clarify the distinction between the role of the Task Force Chair and Karen's role as facilitator; Karen will add language to clarify that she will continue to facilitate the meetings, so that the Chair can participate in the discussions while also presiding over the meeting. No other changes were requested to the draft. Karen will provide a final version for approval by the group at the next meeting. Also at the next meeting, nominations will be accepted for a chair and vice-chair of the Task Force, followed by a vote to elect these officers.

Karen noted summary minutes of each meeting will be prepared by staff with her review, and submitted for approval by the Task Force at the following meeting. Agendas will be provided at least 4 days prior to the meetings, presentations will be provided in advance to the extent reasonably possible, but may not be sent out 4 days in advance. Tadd Wille noted that all information presented to the Task Force will be posted on a website. A link to the website will be emailed to the Task Force members.

**Introduction to Tacoma's Financial Situation and the Task Force Binders.** Andy Cherullo provided an overview of the binder contents and reiterated the information will also be available on the web. He then presented information about the economic conditions facing the City. The current recession is the deepest since the Great Depression, and the economy is taking much longer to recover. The City still has not returned to the revenue and employment levels that existed in 2008.

*Suggestions, observations, questions from Panel and responses from staff:*

Q: Can you provide information on how other cities have been successful in recovering from the recession? A: Staff will seek to incorporate this information in future briefings.

Q: Has Andy networked with other local municipalities and whether or not they are in better shape than Tacoma. A: Not yet, but we will reach out to other cities as we proceed with this work.

Q: What is considered full employment? A: Economists generally believe it is around 4% – 5%.

Q: How much of an impact on the City's revenue was lost with the decline in housing prices? What was the picture like before the recession in terms of property tax? A: This information will be provided at the next meeting.

Q: Can staff provide information on how the amount of payrolls have changed overall since the recession? A: Staff will research and provide information.

Q: Why don't people move to Tacoma? This may be an issue the Task Force wants to discuss more fully at a later meeting.

Tadd gave a presentation on the City's budget structure and the structural revenue gap in the General Fund. The General Fund spending for the 2013-14 biennium is approximately \$397 million, or about 14% of the total city budget. About 60% of the General Fund budget is applied to pay for police and fire protection. The major revenue sources for the General Fund are property tax (26 %), sales tax (20%) business and occupations tax (21%) and utility taxes (23%). Tadd

presented information about the expected growth rate in these revenues over the next several years, as well an overview of the expected growth in the rate of General Fund expenditures.

The City projects that the gap between the cost to maintain current service levels and projected revenues is approximately \$26 million in the 2015-2016 biennium, and \$38million in the 2017-2018 biennium. This gap grows if the City considers doing more than maintaining current service levels.

*Suggestions, observations, questions from Panel and responses from staff:*

Q: Why does the city use a biennial budget instead of an annual budget? A: Tadd will present information on this choice at the next meeting.

**Recap of questions from panel, next steps:**

Karen reviewed questions posed by Task Force members and confirmed with staff whether these questions can be answered. There was a discussion clarifying the distinction between one-time and recurring budget reductions.

Karen noted the proposed agenda for the upcoming meeting on July 10 and asked the Task Force members to complete a short survey as to how they valued various services that a city could provide. She will follow up with this on email to the Task Force.

Next meeting (Meeting 2, July 10, 4-6 PM):

- Presentation and Discussion: 2013/14 Budget and General Fund Expenditures
- Potential Action: Adoption of Task Force Charter
- Potential Action: Election of Task Force Officer(s)
- Review of Information Requests Pending and Response to Questions from Meeting 1

The meeting was adjourned at 6:11.