2019-2020 PROPOSED BIENNIAL BUDGET

City Council Budget Worksession
October 2, 2018
AGENDA

What Makes a Good Budget?

Financial Overview

Budget Development Process

Proposed Budget Highlights

Summary And Next Steps
WHAT MAKES A GOOD BUDGET?

- Incorporates Long Term Perspective
- Establishes Alignment with Organizational Goals
- Focuses on Results & Outcomes Given Available Resources
- Involves & Promotes Effective Communication with Community
- Reflects Equity Principles
Total Budget: $3,509.5M

Utilities & Enterprise Funds, $1,882.6M, 54%

Trust & Special Revenue Funds, $846.8M, 24%

Debt & Capital Funds, $85.3M, 2%

Internal Services, $180.2M, 5%

General Fund, $514.6M, 15%
GENERAL FUND REVENUES

Other Revenues including Intergovernmental, Licenses, Permits, Fees, and Charges $74.5, 14%

Property Tax, $123.0M, 24%

Utility Tax, $93.7M, 18%

Sales Tax, $117.0M, 23%

Business Tax, $106.4M, 21%

General Fund Revenues by Source: $514.6M
GENERAL FUND EXPENDITURES

General Fund Expenditures By Department:
$514.6M

- Police, $175.5M, 35%
- Fire, $125.2M, 24%
- Other Public Safety Related Expenses, $32.8M, 6%
- Public Works Related Costs, $27.4M, 5%
- Public Works, $6.0M, 1%
- Library, $28.2M, 5%
- Neighborhood & Community Services, $26.3M, 5%
- Other Departments Including Finance, Community & Economic Development, and City Attorney’s Office $37.8M, 7%
- Non-Departmental, $55.4M, 11%
2019-2020 GENERAL FUND

**General Fund Total:**

$514.6M

- **Property Tax, $123.0M, 24%**
- **Sales Tax, $117.0M, 23%**
- **Fire, $125.2M, 24%**
- **Police, $175.5M, 35%**
- **Other Public Safety Related Expenses, $32.8M, 6%**
- **Business Tax, $106.4M, 21%**
- **Utility Tax, $93.7M, 18%**
- **Other Revenues including Intergovernmental, Licenses, Permits, Fees, and Charges $74.5, 14%**
- **Other Departments Including Finance, Community & Economic Development, and City Attorney's Office $37.8M, 7%**
- **Library, $28.2M, 5%**
- **Public Works, $6.0M, 1%**
- **Public Works Related Costs, $27.4M, 5%**
- **Non-Departmental, $55.4M, 11%**
- **Neighborhood & Community Services, $26.3M, 5%**
CLOSING FORECASTED GENERAL FUND GAP

- Targeted Reductions
- Updated Expense Projections
- Updated Revenue Trends & New Resources
ONE-TIME AND ONGOING ENHANCEMENTS

$9.9M Ongoing

Funded through updated revenue trends, new resources, and targeted reductions.

$26.4M One-Time

Funded by strategic savings approved by the City Council, updated expense projections, and year-end projections.
Increases Reserves to GFOA Best Practice of 2 Months of Expenses (16.7%)
2019-2020 BUDGET DEVELOPMENT STRATEGY

- **2018 Community Survey**
- **Tacoma 2025**
- **Council Priorities Worksession Six-Year Forecast**
- **Council**
- **Community**
- **Staff**
- **Budget Adjustment Tool Equity**
- **T-Town Neighborhood Councils Festivals & Fairs Online Survey**
- **2019-2020 Proposed Biennial Budget**

**2019-2020 Proposed Biennial Budget**

- **2018 Community Survey**
- **Tacoma 2025**
- **Council Priorities Worksession Six-Year Forecast**
- **Council**
- **Community**
- **Staff**
- **Budget Adjustment Tool Equity**
- **T-Town Neighborhood Councils Festivals & Fairs Online Survey**

- **2019-2020 Proposed Biennial Budget**
2019-2020 BUDGET DEVELOPMENT STRATEGY

- Council
  - Public Safety
- Community
  - Affordable Housing
- Staff
  - Economic Development
  - Homelessness
  - Digital Equity
- Walkability
- Transit Access
- Regional Coordination
- Civic Engagement
- Equity

All First Column Priorities were presented to a Council Committee or Committee of the Whole
2019-2020 BUDGET DEVELOPMENT STRATEGY

Top 5 Priorities

1. Affordable Housing
2. Homelessness
3. Public Safety
4. Economic Development
5. Transit Access

Over 1,200 Residents Engaged In Person and 1,500 online
2019-2020 BUDGET DEVELOPMENT STRATEGY

Council

Community

Staff

Department Goals & Community Needs

Evaluate Existing Services

Equity Lens
PROPOSED BUDGET HIGHLIGHTS

Affordable Housing

Affordable Housing Trust Fund
$1.2M

Staff to Implement Affordable Housing Action Plan
$380K – 2 FTE

Neighborhood Planning Program
$220K
PROPOSED BUDGET HIGHLIGHTS

Homelessness

- Tenant Relocation & Information Campaign: $227K
- Continued Operation of Stability Site: $2.3M
- Shelter Capacity Building: $200K
- Youth Crisis Residential Center: $800K
- Therapeutic Mental Health Court: $150K
PROPOSED BUDGET HIGHLIGHTS

Public Safety

5 New Police Patrol Officers
$1M - 5 FTE

Project PEACE Implementation
$500K

Criminal Investigation Resource Increase
$550K

74 New Patrol Cars and 32 Other Fleet Vehicle Replacements
$6M
PROPOSED BUDGET HIGHLIGHTS

Public Safety

Full Time Station 13
$180K

Two New Fire Engines
$1.2M

Fire Station Master Plan
$1M

New Station 5 in the Tideflats
$1.7M
PROPOSED BUDGET HIGHLIGHTS

Economic Development

New Economic Development Strategic Plan $50K
New Marketing Program $90K
Live Close to Work with Downtown on the Go $60K
Seismic Upgrade Pilot $75K
**PROPOSED BUDGET HIGHLIGHTS**

### Economic Development

- **Green Building Program**: $235K
- **Permitting Level of Service Increase**: $1.8M – 6 FTE
- **Permitting Customer Service Initiative**: $1.2M
- **Improved Signage for Foss Waterway**: $50K
PROPOSED BUDGET HIGHLIGHTS

Transit Access

Signal Improvements for Route 1 on Pacific Ave. and 6th Ave
$1.3M

Pacific Ave. Corridor Study
$200K

Signal Improvements for Route 2 on S. 19th
$250K
PROPOSED BUDGET HIGHLIGHTS

Walkability

- Missing Link Sidewalk on Sheridan (S. 61st to S. 84th) $1M
- Finish Flashing School Beacon Project $1M
- Safe Routes to School (Mary Lyon and Whitman) $700K
- Residential Sidewalk Reconstruction $1.2M – 3FTE
- Missing Link Sidewalk to Eastside Community Center $500K
PROPOSED BUDGET HIGHLIGHTS

Public Wi-Fi Along Hilltop Light Rail Extension
$400K

Library Digital Infrastructure Improvements
$1.45M – 2.5 FTE

Library Six Day Service
$200K

Mobile and Foreign Language Accessible Online Forms
$500K

Remote Library Program
$500K – 1 FTE
PROPOSED BUDGET HIGHLIGHTS

Regional Coordination

SR167 Completion
Grant Match
$500K

Transportation
Master Plan & Vision Zero Update
$500K

Melanie Jan LaPlant
Dressel Park
Contribution
$750K
Civic Engagement

- City Council Engagement Budget: $53K
- Language & Engagement Coordinator: $200K
- Participatory Budgeting Pilot (Existing Funding)
- Dedicated Neighborhood Council & Innovative Grant Staff (Re-Org)
- Affordable Housing Staff
- Neighborhood Planning Project PEACE
- New Patrol Officers
- Permitting Customer Service
- PacAve Corridor Study
- Transportation Master Plan
- Additional 311 Staff

Other Civic Engagement Proposals this Biennium
PROPOSED BUDGET HIGHLIGHTS

Equity

- Deportation Defense: $50K
- Equity Workgroup at TPU: $200K
- Urban Forestry (Tree Planting, Maintaining, & Removal): $300K
- Increased Staff Participation at Gov. Alliance on Race and Equity: $35K
- Other Equity Proposals this Biennium

- Language & Engagement
  - Affordable Housing Trust
  - Tenant Relocation
  - Project PEACE
  - Route 1 & 2 Signals
  - PacAve Corridor Study
  - Safe Routes to School
  - Missing Link Sidewalks
  - Public Wifi on Hilltop
  - Library Infrastructure
  - Sidewalk Reconstruction
  - Youth Crisis Center
PROPOSED BUDGET HIGHLIGHTS

Asset Management

- Tacoma Dome and Convention Center Security Upgrades
  - $1.9M

- Facilities Repair and Replacement Plan
  - $3.3M

- 50 Replacement General Government Vehicles
  - $2.25M

- HVAC, Windows & Roofs at Fern Hill, Wheelock, Swasey and Moore
  - $1.8M

- Municipal Building Tenant Improvements
  - $2.1M
<table>
<thead>
<tr>
<th>Cost Recovery and Levels of Service</th>
<th>Deterrence and Service Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Construction Permit Fee</td>
<td>False Fire Alarm Fine</td>
</tr>
<tr>
<td>Commercial Permit Fees</td>
<td>Non-Emergency Lift Assist Fine</td>
</tr>
<tr>
<td>Pre-Application Permit Fee</td>
<td>Commercial Fire Protections Compliance Fee</td>
</tr>
<tr>
<td>Land Use Permits Fee</td>
<td>Fire Code Inspection Program Fee</td>
</tr>
</tbody>
</table>
UTILITY RATES

Solid Waste
• 2019: 3.0%
• 2020: 3.0%

Power
• 2019: 2.0%
• 2020: 2.0%

Wastewater
• 2019: 4.0%
• 2020: 4.0%

Surface Water
• 2019: 3.5%
• 2020: 3.5%

Water
• 2019: 2.5%
• 2020: 2.5%
CHANGES IN BUDGET DEVELOPMENT

Program Based Budgeting

Changes in Internal Cost Methodologies

Organizational Structure Changes
BUDGET SUMMARY

Meets Budget Principles
Reflects Council Priorities
Driven By Community
BUDGET CALENDAR

October 8
Asset Management, Walkability, and Community Development

October 16
Utilities

October 23
Public Safety & Homelessness

October 30
Library and Non-Departmental First Public Hearing

November 6
Second Public Hearing

November 13
First Reading

November 20
Second Reading Adoption
TOWN HALLS

Stewart Middle School
• Oct. 8 at 6PM, Council Members Ushka and McCarthy

Center at Norpoint
• Oct. 11 at 6PM, Council Members Camarata and Mello

Wilson High School
• Oct. 22 at 6PM, Council Members Ibsen and Blocker

STAR Center
• Oct. 27 at 2PM, Council Members Beale and Hunter

More details and final information at budget.cityoftacoma.org