

FLIP CHART NOTES from 8.21.13 Task Force Meeting

Discussion Item: Is there a structural gap?

- Yes (multiple responses)
- Absolutely
- Expenditures are growing nearly 3 x the rate of revenues
- Could not run a business like this, running up debt
- Case is made. It's a long-term problem. It's serious.
- Data presented supports the case.
- Applaud the city for undertaking the Task Force effort
- Question: is the City ready to make the tough choices to solve the problem?
- Need change in the structure to resolve the issue.
- Data provided is high quality, presented with good transparency
- Can't avoid the conclusion that change is needed
- Staff must have solutions they haven't shared—would like to hear their ideas—even just as brainstorming.
- No impugning of city leadership is intended by this assessment of the situation.
- This problem is common in the state and nation. Not a unique issue to Tacoma. (multiple responses)
- Change is needed.
- Fix won't be easy.
- I'm a skeptic: the assumptions about economic recovery and revenue growth are too conservative. We have already seen a slowing in the rate of growth of health care costs and salaries.
- The gap is not structural in the sense that there is not an imminent pending loss of a major revenue source, or that operations are wrongly sized, but there is a near term mismatch between revenues and expenditures.
- There is no silver bullet to the problem simply from economic recovery
- Worried about lack of funding to take care of our neighborhoods, fight crime, preserve streets, and attract businesses (multiple responses)
- We need a vision of the service levels we can accept in major service areas.
- The size of the gap is huge.

Notable Data Points for Task Force Members?

- Cadillac health care penalty in 2018
- Staff and salary costs
- Hard to know what to do without more benchmarking
- Need to look at pensions
- Solutions must attract business and residents to the city
- Should we declare bankruptcy? Hope not. But the numbers don't look good.
- From labor perspective, declaring bankruptcy is the nuclear option.

- Is there any city or local government NOT facing a gap like this? Can we learn from them?
- Surprised by the limitations on the city's ability to raise revenue

Ideas/Suggestions offered that could potentially become recommendations:

- City should identify, adopt and follow best practices on managing spending
- Track savings from efficiency and innovations and ensure departments don't have a mindset that they will just spend the savings.
- Re-evaluate performance targets for revenue generating assets – targets should be set at levels to minimize the need for general fund subsidy
- Applaud the city for the performance tracking program
- Long term vision is needed to know where the City wants to go, and to make recommendations supporting that vision.
- We need to address this situation in a way that will attract businesses and residents to the city.
- We need a vision of the service levels we can accept
- Contract out for a new salary study. Look at total compensation, not just salary.
- Look at salary freezes, benefit changes, furloughs, etc. for represented employees, not just the non-represented employees.