

Fiscal Sustainability Task Force

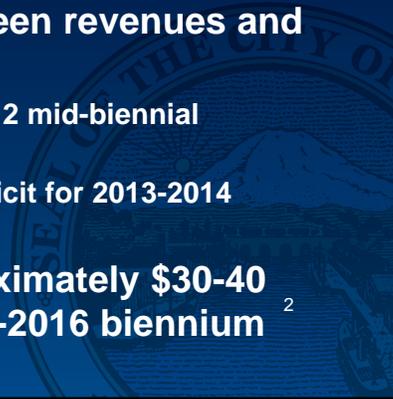
City of Tacoma
Office of the Mayor

June 19, 2013



Background

- Recent recession has been severe and recovery slow
- City of Tacoma also has growing structural deficit between revenues and expenditures:
 - \$32 million in 2011-2012 mid-biennial reductions
 - \$63 million budget deficit for 2013-2014 biennium
- City anticipates approximately \$30-40 million deficit for 2015-2016 biennium ²



Revenue Challenges

- Changing economy, stagnant growth and consumer spending habits causing revenue to grow at slower rates
- City has antiquated revenue structure that has not kept pace with growing responsibilities

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Expense Challenges

- Salaries, wages and benefits for employees make up nearly 69% of General Fund expenditures
- Cost of healthcare premiums and claims have risen 72% over the last eight years
- City has utilized all of its available debt capacity
- Lack of significant reserves in enterprise and many special revenue funds

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Mission

- Closely examine City's revenue structure and structural budget deficit.
- Ensure financial integrity and service levels of the City by:
 - Reducing costs
 - Reducing rate of cost increases
 - Developing alternatives
 - Identifying new, innovative, and sustainable sources of revenue

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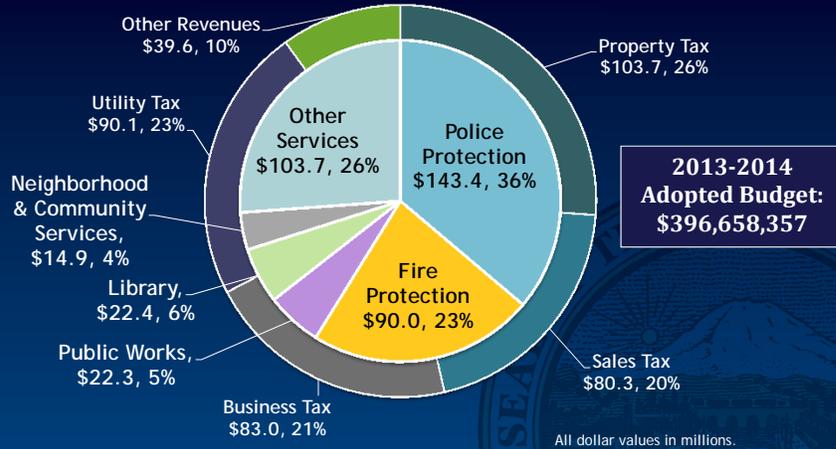
Duties

With assistance from City Manager and designated staff:

- Review and understand the City's revenues, expenditures and tax burden
- Review City's five year expenditure and revenue forecast that identifies structural budget gaps
- Generate and explore at least five to ten promising revenue enhancements and/or expense reduction measures
- Develop a final report with an executive summary and recommendations

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2013-14 Adopted General Fund Revenues & Expenditures



*Other Services include: City Attorney's Office, City Council, City Manager's Office, Community & Economic Development, Finance, Hearing Examiner, Human Resources, Municipal Court and Planning & Development Services, and Non-Departmental. 7

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