



**2015-2016 Proposed
Budget Presentation**

*T.C. Broadnax, City Manager
Council Budget Worksession
October 7, 2014*

CITY OF TACOMA
PROPOSED BIENNIAL
BUDGET
2015-2016

Agenda

- 2013-2014 Biennium
- 2015-2016 Budget Development
 - Community feedback
 - Budget strategy
- 2015-2016 Proposed Budget
 - Citywide
 - General Fund
- Priority Services



2015-2016
CITY OF TACOMA
PROPOSED BIENNIAL
BUDGET

3

2013-2014 Biennium

CITY OF TACOMA
PROPOSED BIENNIAL
BUDGET
2015-2016

2013-2014 Biennium

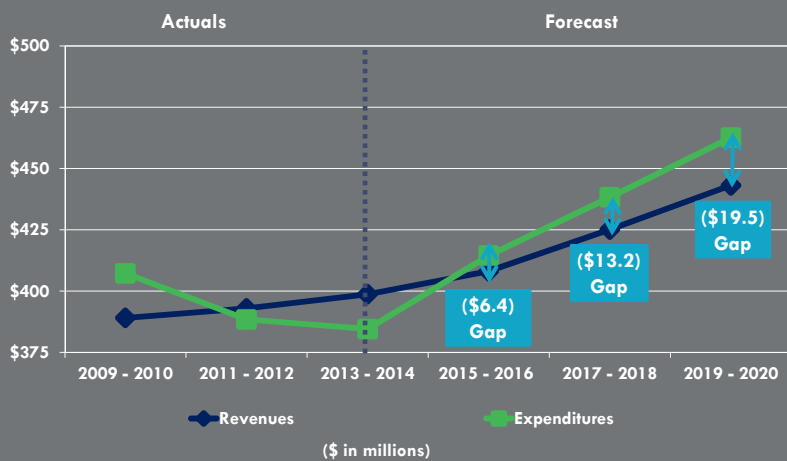
- Addressed a \$60 M deficit in budget development
 - Reset budget with goal of continuing to provide highest levels of service possible
- Carefully reviewed expenditures, monthly financial reports, and methods for monitoring budget
- Anticipated that by the end of the Biennium
 - Meet 15% reserve goal (\$30 M)
 - Realize \$14 M in surplus savings, which is recommended to fund one-time expenditures in 2015-2016

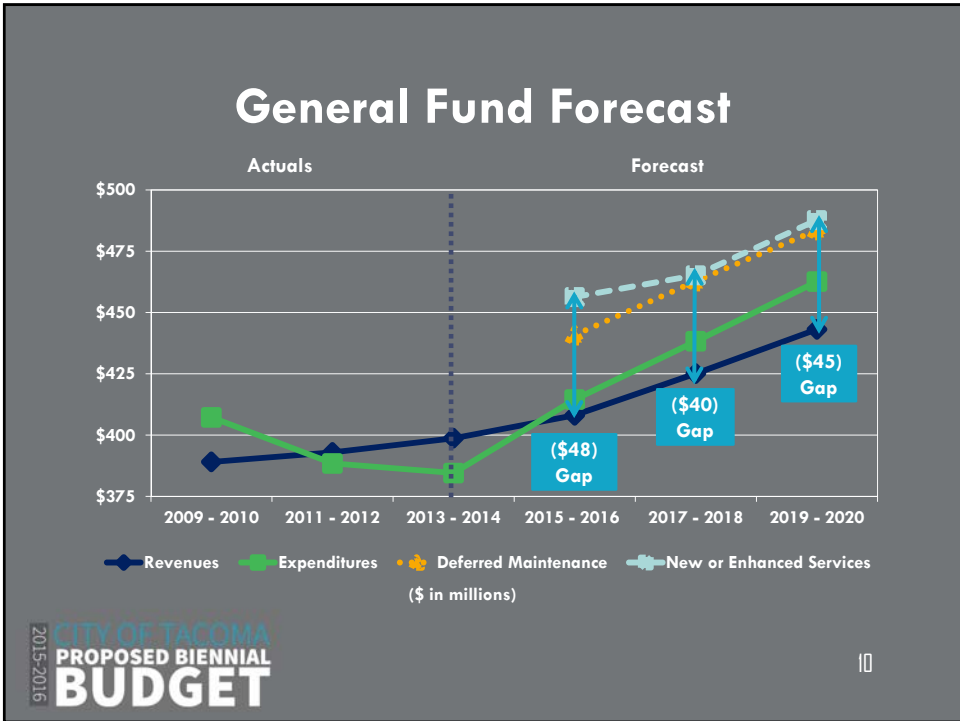
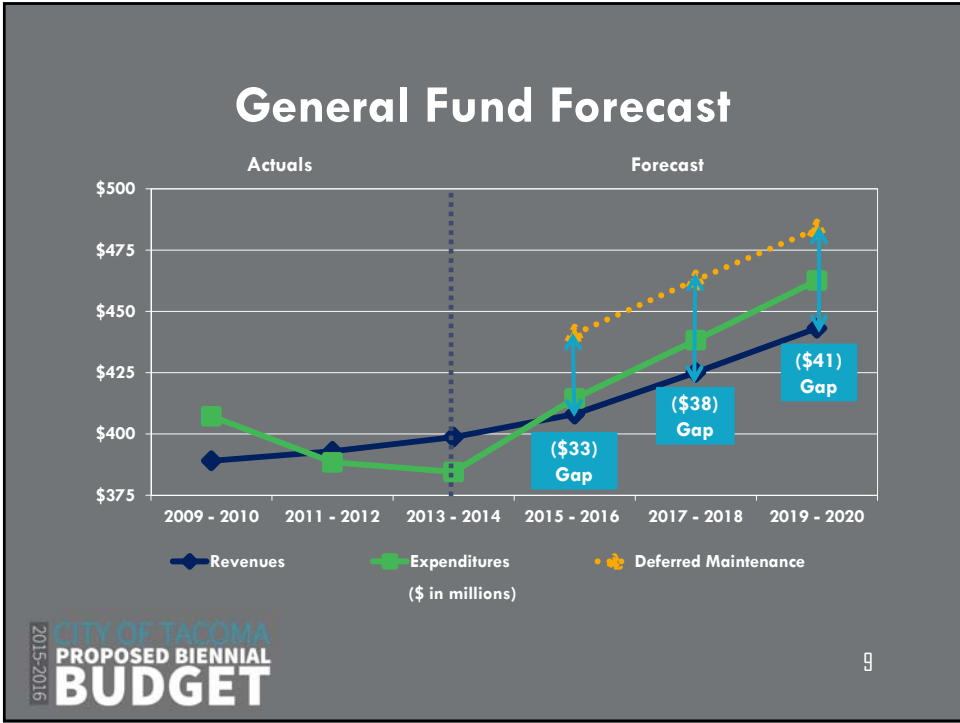
Six Year Forecast

Six Year Forecast

- Presented in June, 2014
- Structural gap in revenues and expenses of \$6 M in 2015-2016 to maintain current service levels
 - \$6 M gap = 1.5% of General Fund Projected Budget
- Projected gap grew when deferred maintenance and enhanced services considered

General Fund Forecast





Closing the Structural Gap – Current Service

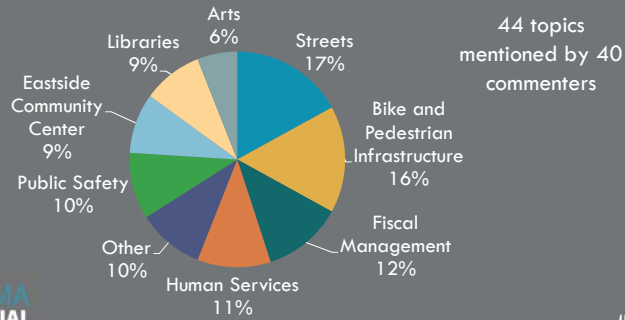
- Enhanced revenues to cover costs
- Lower health and benefit costs
- Targeted efficiencies and reductions

2015-2016 Proposed Budget Development

Community Feedback

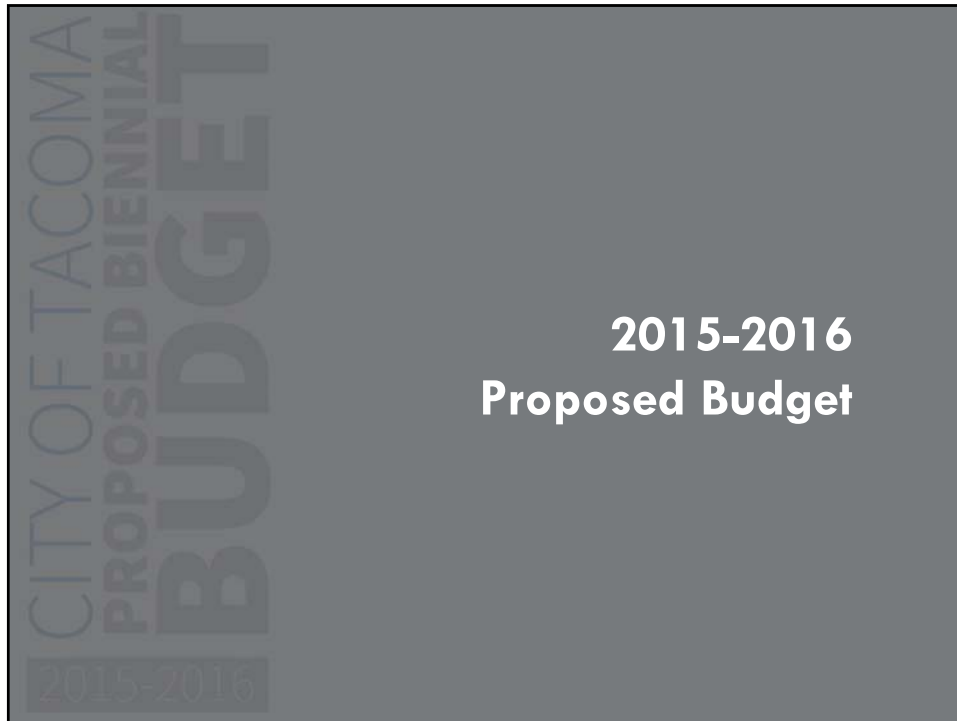
- Community Budget Meetings
- Community Survey
- Online Tools
- Staff Engagement

Public Comment Themes



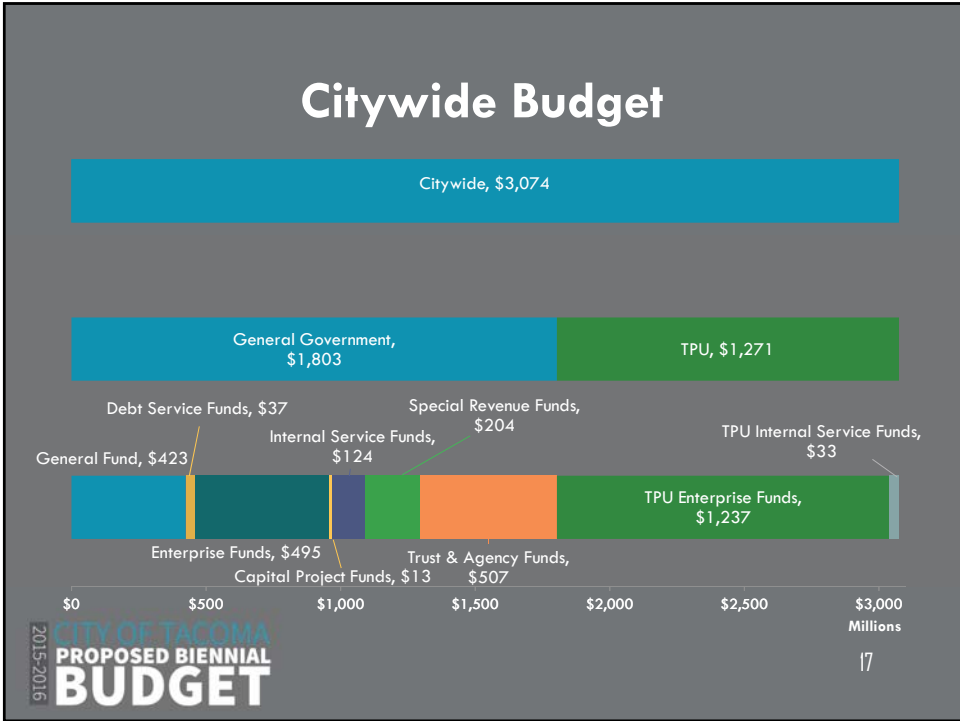
2015-2016 Budget Strategy

- Continue sound financial management practices
- Develop a long term vision to direct the City's activities and resources (Tacoma 2025)
- Review and address major cost drivers
- Evaluate revenue options
- Retain services that create a vital and livable community
- Implement best practices and continue to track performance



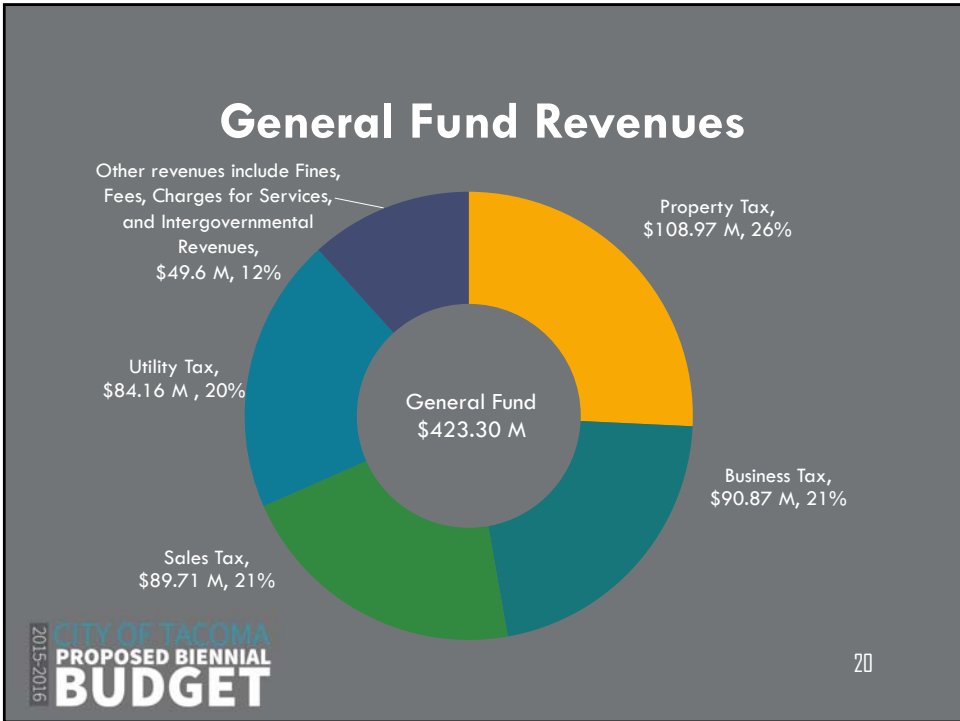
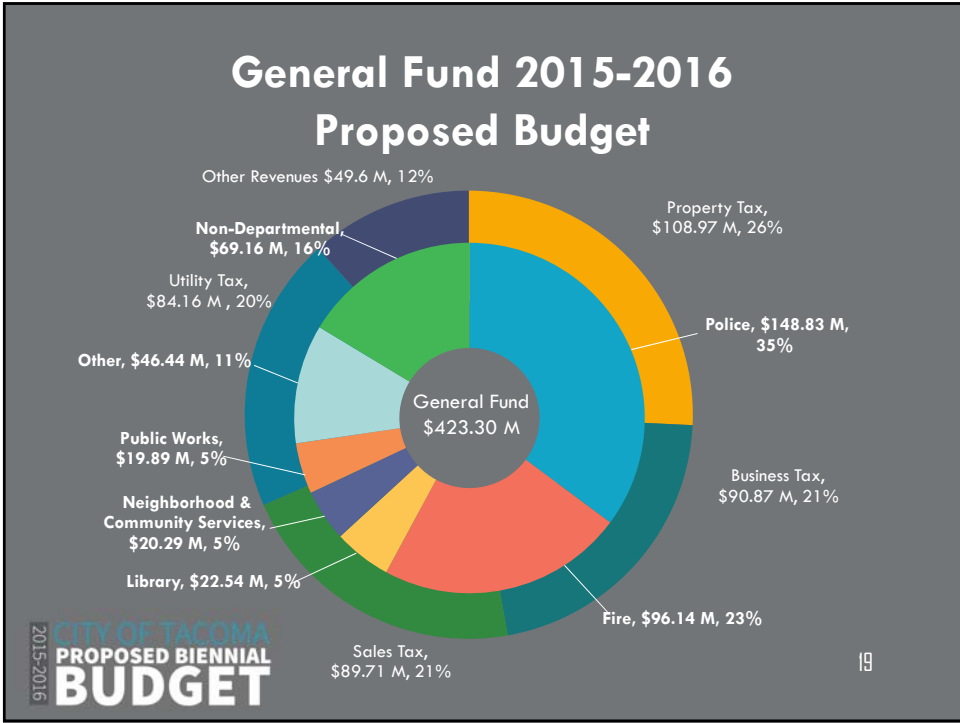
Budget Summary

- 2015-2016 Biennial Proposed Budget
 - Is Balanced
 - Reflects commitment to strong fiscal management
 - Includes Revenue Adjustments and Enhancements
 - Includes Strategic Reductions and Enhancements
 - Focuses on
 - Core Services
 - Continuous Improvement
 - Credibility

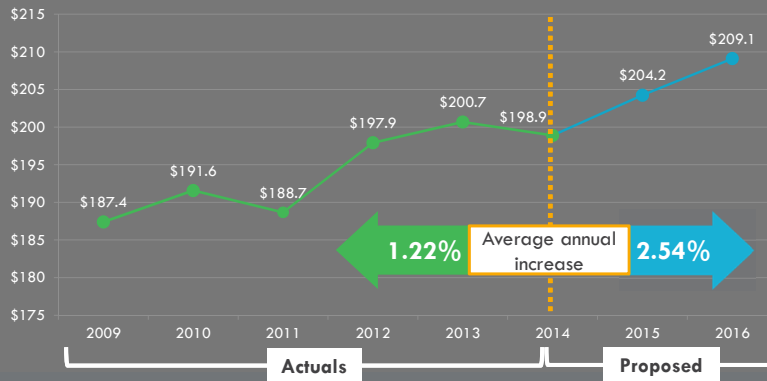


**2015-2016
Proposed General Fund Budget
\$423.3 M**

2015-2016 CITY OF TACOMA PROPOSED BIENNIAL BUDGET

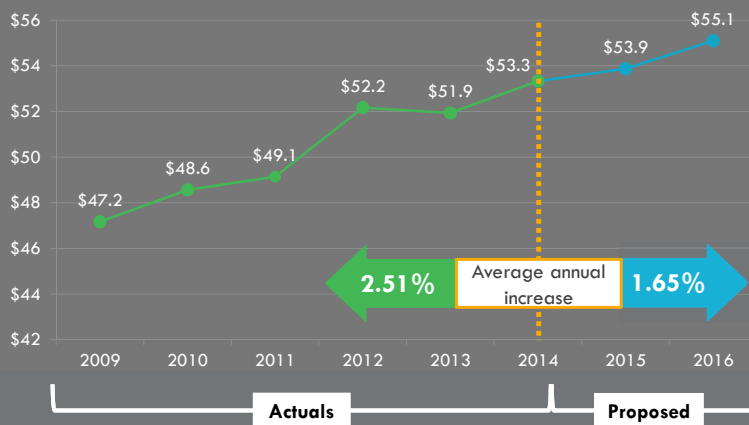


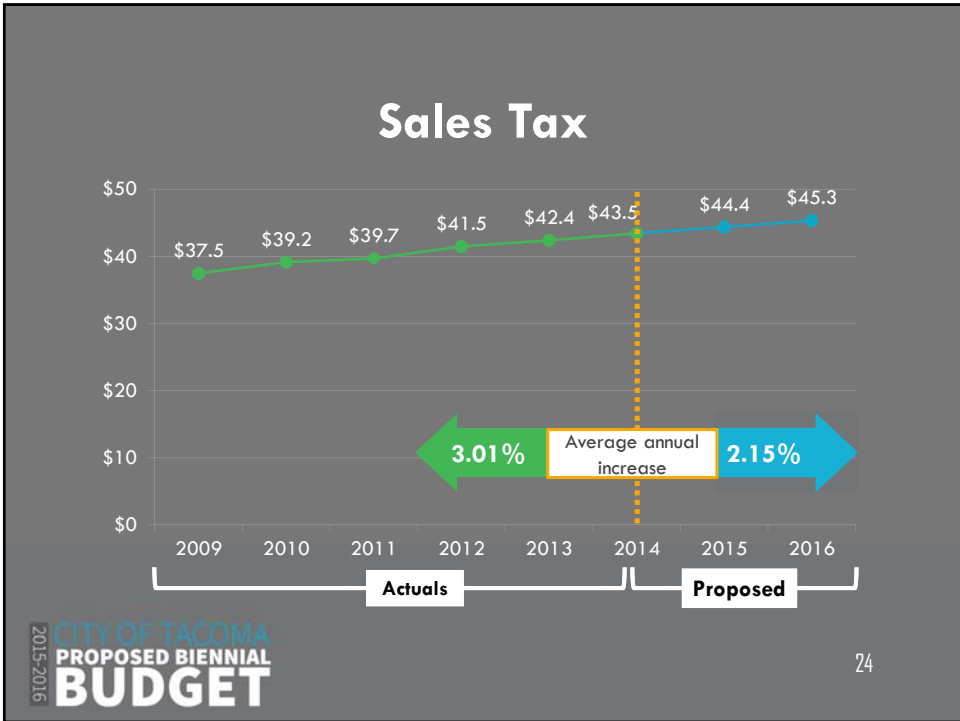
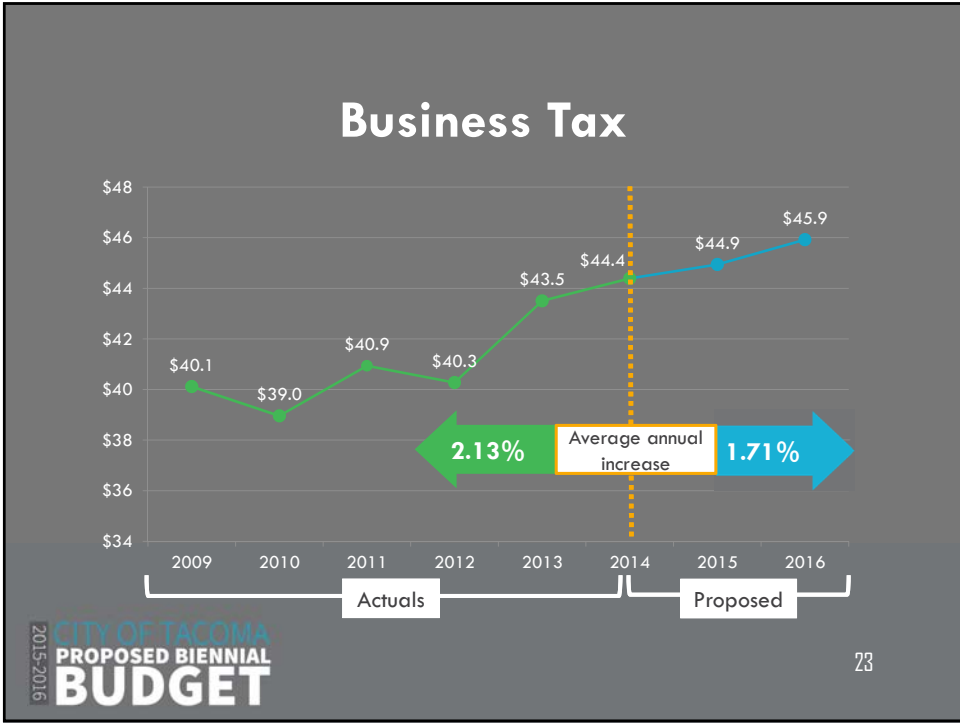
All General Fund Revenues

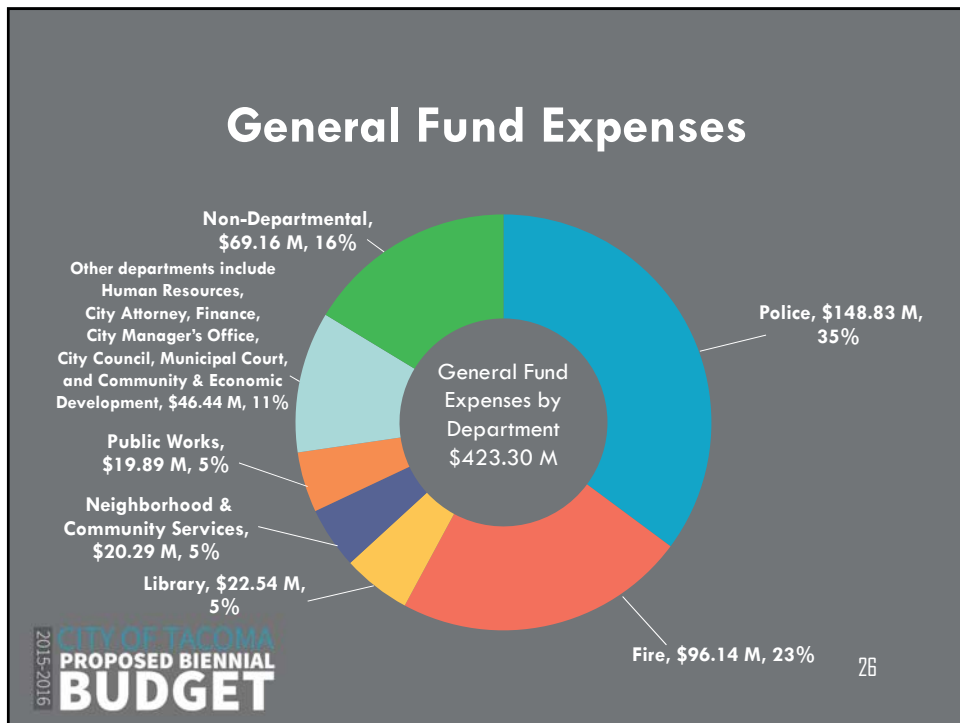
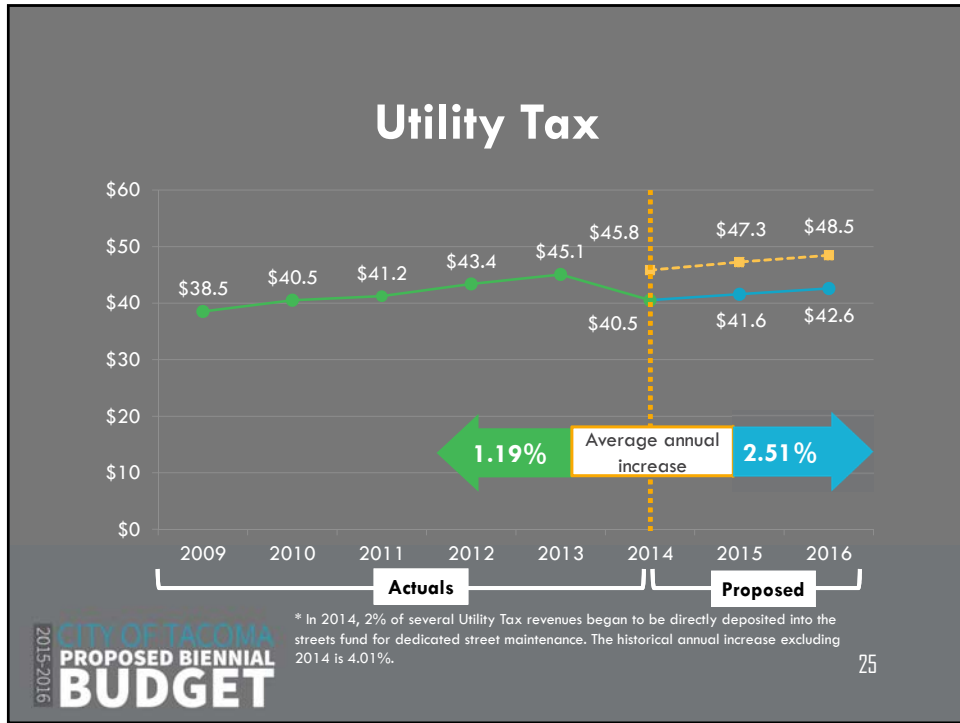


- In 2014, 2% of certain Utility Tax revenues were redirected for dedicated street maintenance and deposited directly into the Street Fund. The historical annual increase excluding 2014 is 1.8%.
- Chart does not include use of cash/surplus savings of \$9.9 million

Property Tax







General Fund Efficiencies and Enhancements

- Efficiencies and New/Enhanced Revenues
– \$9.7 M
- Service Enhancements and One-Time Expenditures
– \$13.2 M recurring
– \$12.6 M one-time

Note: Above information includes the PAF Funds and Street Fund, which are supported funds, and does not include wage and benefit adjustments or impact of expiring SAFER and COPS grants.

Priority Services (Citywide Funding)

Priority Services

- Infrastructure
- Public Safety
- Economic Development
- Libraries
- Deferred Maintenance
- Community Services Funding



Infrastructure

- Citywide sidewalk, pedestrian, and trail improvements: \$3.1 M
 - ADA ramps, pedestrian signals, video sensors at intersections, flashing beacons, and other enhancements: \$1.5 M
 - Continued expansion and other improvements to the Prairie Line Trail: \$1.1 M
 - Sidewalk replacements: \$500 K



Infrastructure

- Permanent pothole repair crew: \$2.6 M



- Quicker, longer lasting pothole repairs
- 5 added full-time equivalent positions

Infrastructure

- Federal and State Grant Match: \$2.3 M
 - Generates \$19 M in grant funding from federal and state sources
 - Grant match funded projects include:
 - Puyallup River Bridge
 - Water Ditch Trail
 - 56th Street Infrastructure
 - 48th Street Infrastructure
 - 34th Street Bridge Maintenance
 - Traffic Model Update
 - Prairie Line Trail
 - Stevens and Tyler bicycle and Pedestrian Improvements

Infrastructure



- Maintenance of the Puyallup River Bridge: \$1.5 M
- Eastside polychlorinated biphenyl (PCB) cleanup project: \$1.3 M
- Muni Complex Shower and Locker Room: \$500 K
- Continue City's Local Improvement District (LID) Program: \$400 K
- Beautification of City entranceways and improved signage: \$350 K

Public Safety

- Represents 58% of General Fund expenditures
- No reductions in police officer and fire station personnel
- Fully funds firefighters and police officers no longer funded through federal grants
- Includes 2015-2016 impact of recently awarded COPS grant (\$3.4 M) and SAFER Grants (\$4.0 M)
 - Funds 10 existing police officer positions
 - Funds 20 existing fire fighter positions

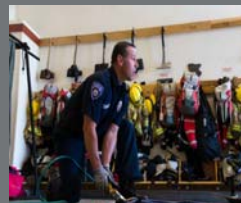
Public Safety

- Includes US Open Security funding: \$290 K
- Continues Predictive Policing Program: \$80 K
- Continues Rapid Graffiti Removal Program: \$200 K
 - Supports up to 300 graffiti removals per year



Public Safety Fee Updates

- Includes fire service fees to help offset added costs from expiring federal grants (\approx \$6 M impact to General Fund)
 - Fire Inspection Fees
 - \$450 K in General Fund Revenue
 - Advance Life Support (ALS) and Basic Life Support (BLS) Transport fees
 - \$1 M in EMS Revenue
 - Last Increased in 2005



Public Safety Fee Updates

- Tacoma Fire Hydrant Service Fee
 - City maintains and services over 6,200 Tacoma fire hydrants
 - Service cost of \$3.5 M currently funded by General Fund
 - New service fee on Tacoma resident's water utility bills would result in \$2.2 M General Fund Savings
 - Phased in over two years beginning in April 2015 (Half of fee added in 2015 and full fee of approx.\$2.25-\$2.50 in 2016)

Economic Development

- Revitalization and Streetscape Improvements:
 - Lincoln Business District: \$4.2 M
 - South Tacoma Business District: \$1M
- Neighborhood Council Innovative Grants: \$360 K
 - Support infrastructure and beautification efforts in Tacoma neighborhoods



Economic Development

- Catalytic Economic Development: \$400 K
 - Leverage private funds for enhanced:
 - Pedestrian connections
 - Sidewalk installation and street improvements
 - Landscaping
- UWT Law School Support: \$100 K



Libraries

- Radio Frequency Identification (RFID) Initiative: \$400 K
 - RFID tags for all libraries
 - Integrated program software
 - One self-check station and security gates for Main Library

Deferred Maintenance

- Vehicle Replacements: \$2.8 M
 - 45 Police Patrol Vehicles (\$1.9 M)
 - 1 Fire Pumper (\$600 K)
 - Public Works Heavy Duty Water Truck (\$250 K)



Deferred Maintenance

- Facility Improvements and Maintenance: \$2.4 M
 - Tacoma Dome: \$900 K
 - Event Level Restrooms (\$850 K)
 - Way Finding Signage (\$50 K)
 - Greater Tacoma Convention & Trade Center: \$450 K
 - Exhibition Hall Lamp Replacements with LED
 - Performing Arts Theaters: \$1.0 M



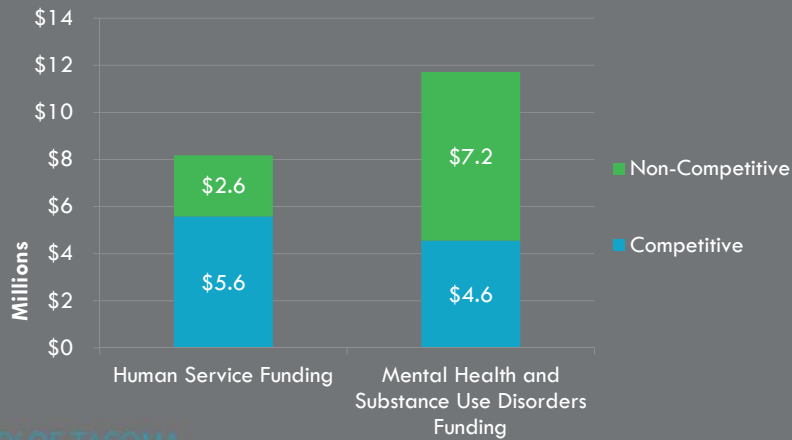
Deferred Maintenance

- Information Technology Infrastructure and Replacements: \$6.2 M
 - General Government computer replacements
 - SAP Business Initiatives for Purchasing, Finance and HR systems
 - Other Citywide Enhancements
 - Information Management Transformation
 - Corporate Network Modernization
 - Microsoft Enterprise Licensing
 - Datacenter Relocation
 - Data Storage & Server Consolidation

Non-Departmental

- Moved contracts for community programs and special events to managing departments
- Includes support funding for Metro Parks
 - \$930 K for Metro Parks Maintenance Support
 - Chinese Reconciliation Park Maintenance
 - Old Town Dock Maintenance
 - Rights of Way Maintenance
 - Water Walk Maintenance

Community Funding in 2015-2016



Organizational Changes

- Finance
- Office of Management and Budget
- Office of Environmental Policy and Sustainability
- Office of Equity and Human Rights

Office of Equity and Human Rights

- Existing resources were used to begin an equity and empowerment initiative.
- The new office will assist in identifying and eliminating the underlying drivers within the City organization and community that perpetuate inequity and provide opportunity and advancement for all.
 - City of Tacoma workforce reflects the community it serves
 - Enhanced and purposeful community outreach and engagement
 - Equitable service delivery to all residents and visitors
 - Support human rights and opportunities for everyone to achieve their full potential
 - Commitment to equity in local government decision-making

Unfunded Items

- Funding not included in the 2015/2016 Budget
 - Eastside Community Center (\$5 M)
 - \$2 M in Earmarked Capital Reserves
 - Link Light Rail Expansion (\$10-15 M)
 - Broadway Center for Performing Arts Centennial Campaign (\$5-10 M)
 - Tacoma Dome Seating (\$10 M)
 - Citywide Residential Street Construction (\$500 M)

Council Budget Workshops

- October 14:
 - TPU (Joint meeting with Public Utilities Board) and Environmental Services
- October 21 through November 25:
 - Department Budget Workshops
- December 2:
 - First reading of 2015-2016 Budget Ordinance
- December 9:
 - Second reading of 2015-2016 Budget Ordinance

Community Meetings

- October 13:
 - The Evergreen State College, 6-8 p.m.
- October 22:
 - Wheelock Library, 6-8 p.m.
- October 30:
 - Lincoln High School, 6-8 p.m.

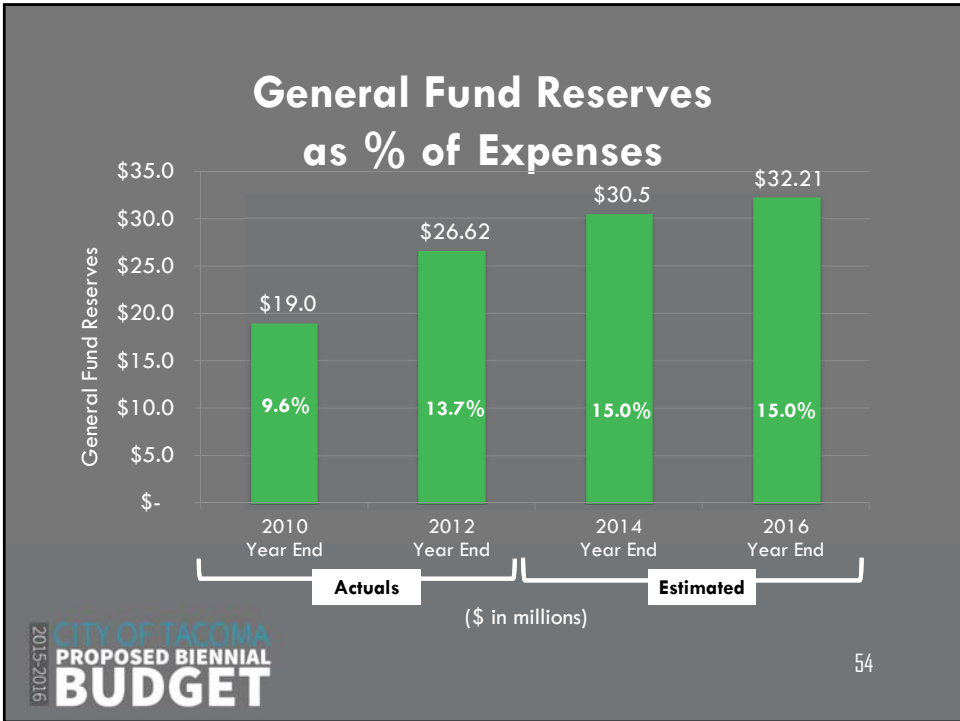
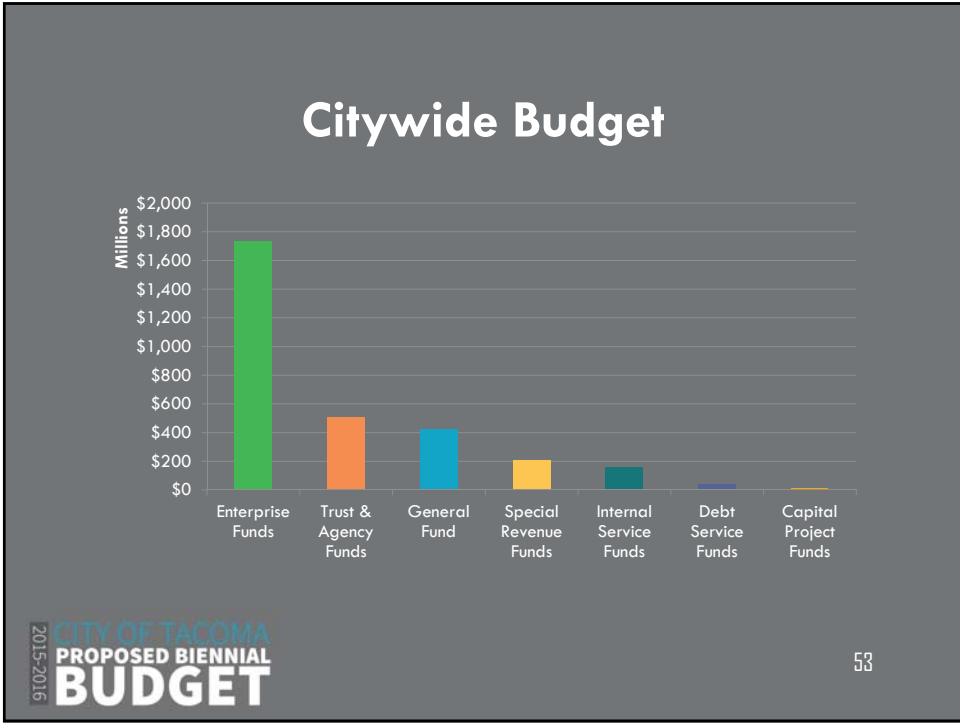
CITY OF TACOMA
PROPOSED BIENNIAL
BUDGET
2015-2016

**2015-2016 Proposed
Budget Highlights**

*T.C. Broadnax, City Manager
Council Budget Worksession
October 7, 2014*



2015-2016
CITY OF TACOMA
PROPOSED BIENNIAL
BUDGET



General Fund 2013-2014

\$ in Millions	2013-2014 Estimate
Recurring Revenues	\$399
Recurring Expenditures	\$385
Estimated Structural Balance	\$14

Reserves - (\$ in Millions)	2013-2014 Estimate
Final 2013-2014 Reserve (15%)	\$30.5

General Fund 2015-2016

\$ in Millions	2015-2016 Estimate
Recurring Revenues	\$413
Recurring Expenditures	\$412
Structural Balance	\$1

Reserves - \$ in Millions	2015-2016 Estimate
Final 2015-2016 Reserve (15%)	\$32.21

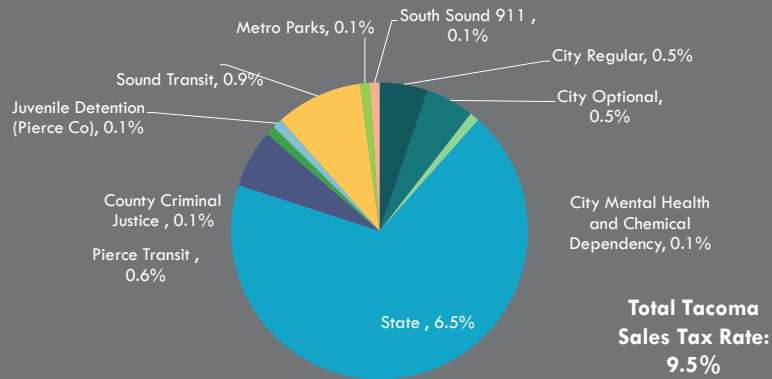
General Fund 2015-2016

\$ in Millions	2015-2016 Estimate
2013-2014 Surplus Savings	\$14
2015-2016 Structural Balance	\$1
One-Time Savings	\$15
2015-2016 One Time Expenses	\$13
Balance (One-Time Savings)	\$2

General Fund 2015-2016 Proposed Budget

\$ in Millions	2015/2016 Proposed Budget
Recurring Expenditures	\$410
One-Time Expenditures	\$13
Total Proposed Budget Expenditures	\$423

Sales Tax Breakout (Total Sales Tax)



Property Tax Rate 2014 Per \$1,000 of 2013 Assessed Value (AV)

