

2025-2026 Proposed Budget

October 2024

2025-2026 CITY OF TACOMA

**BIENNIAL OPERATING
& CAPITAL BUDGET**

1

Agenda



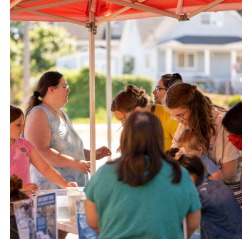
Budget
Development
Process



Financial
Overview



Proposed
Budget
Highlights



Summary
And
Next Steps

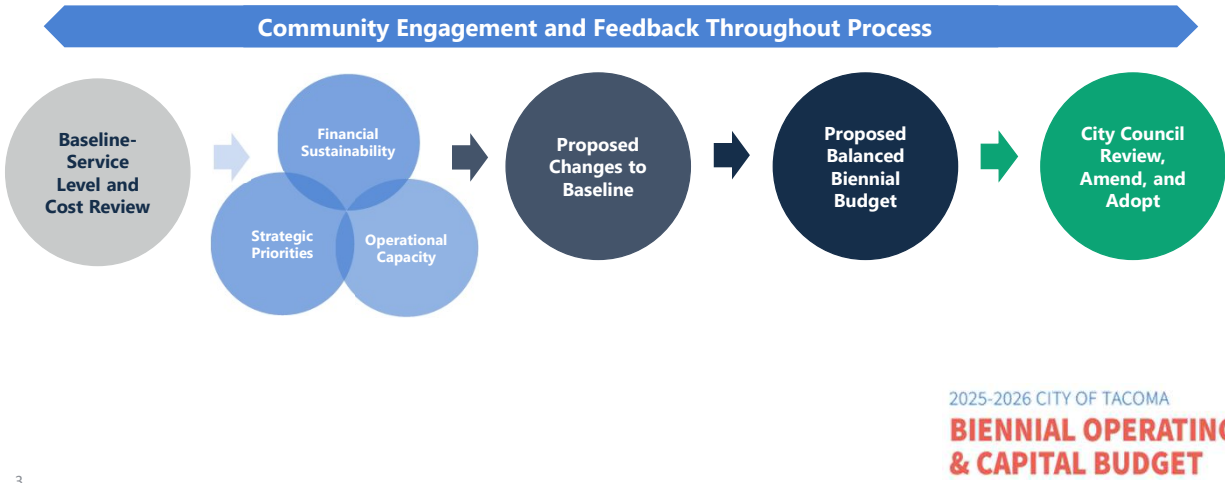
2025-2026 CITY OF TACOMA

**BIENNIAL OPERATING
& CAPITAL BUDGET**

2

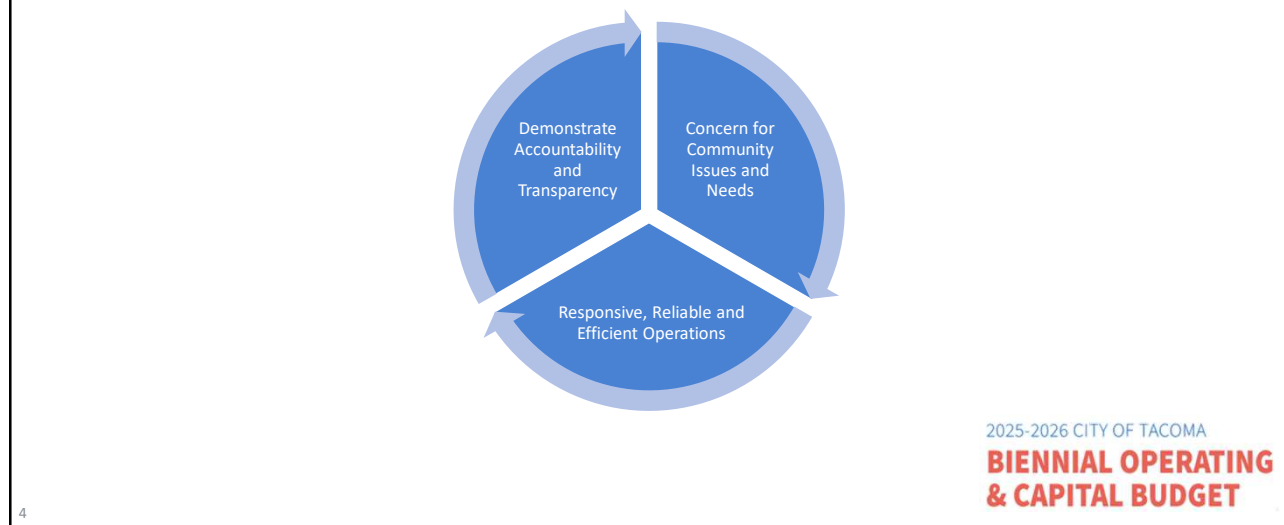
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Budgeting Process

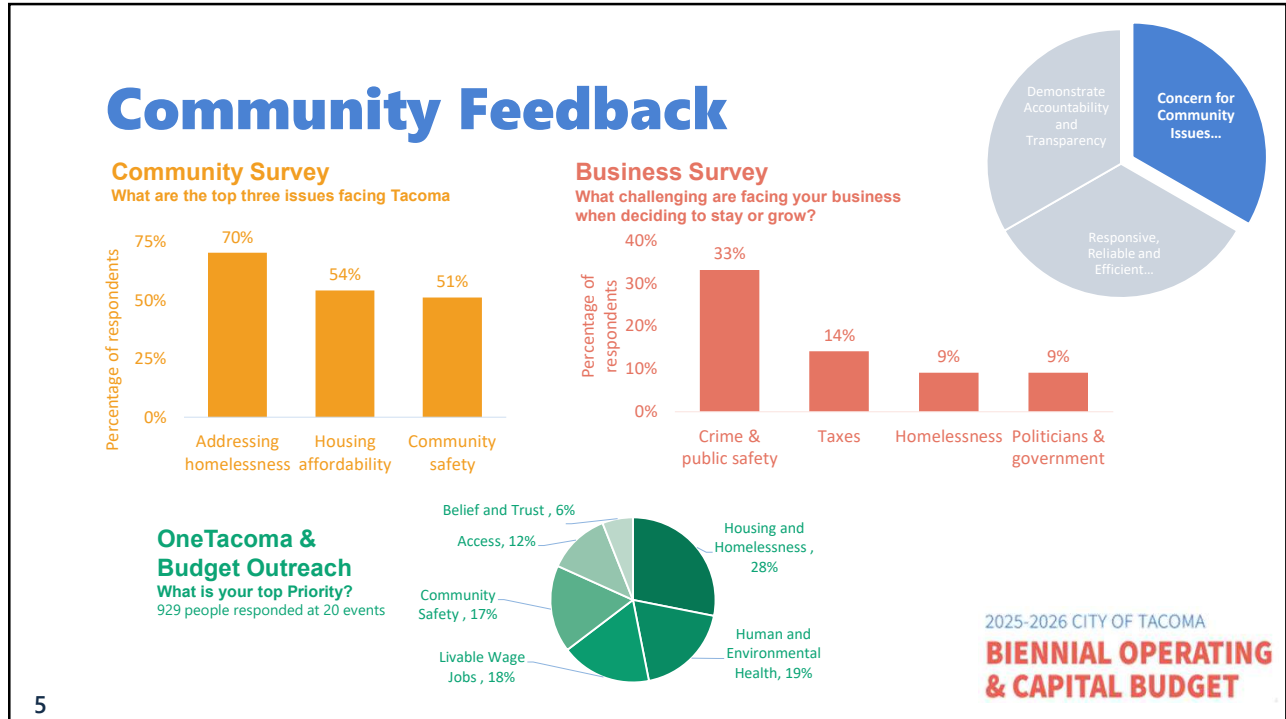


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Building Public Trust

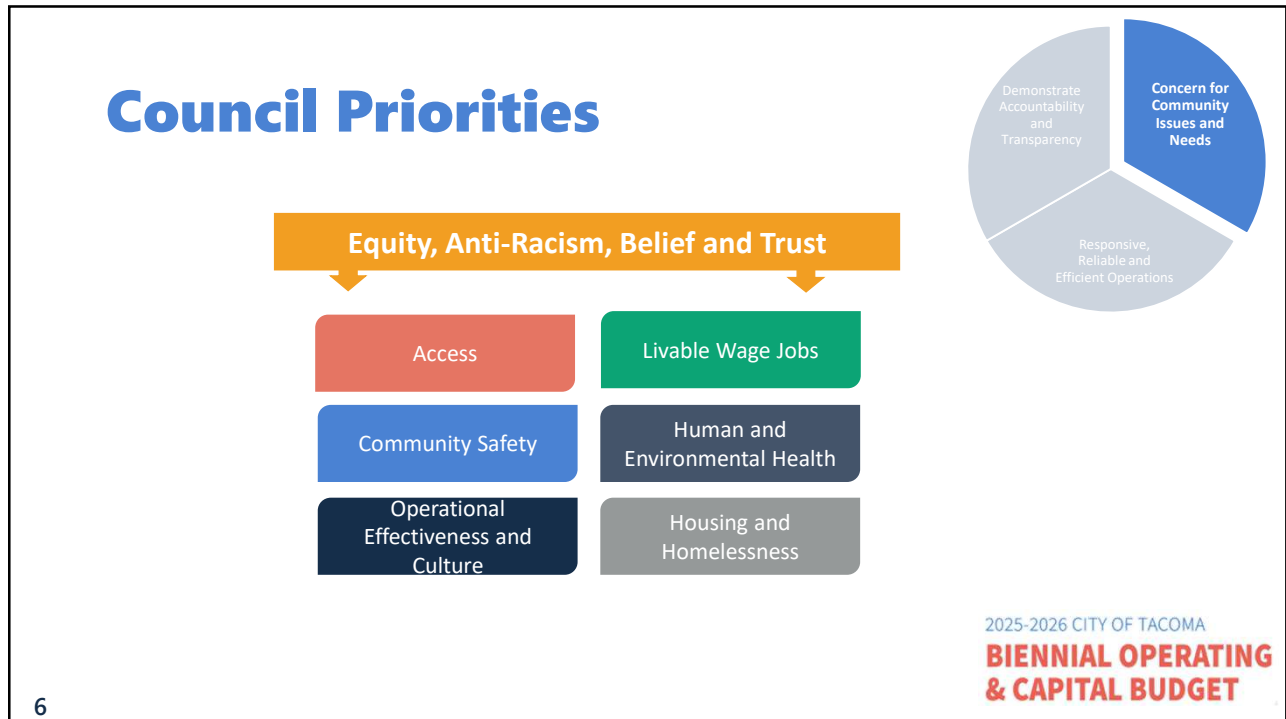


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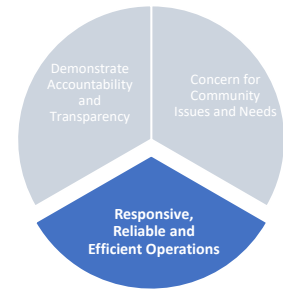
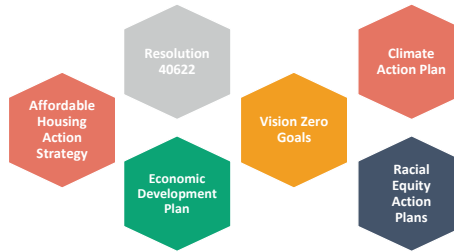
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6

Responsive, Reliable and Efficient Operations

Implementation of Plans, Strategies and Council Initiatives

- Operational Capacity:
 - Staffing
 - Office of Safety
 - Labor Relations
 - IT Infrastructure
 - Facilities
- Fiscal Sustainability

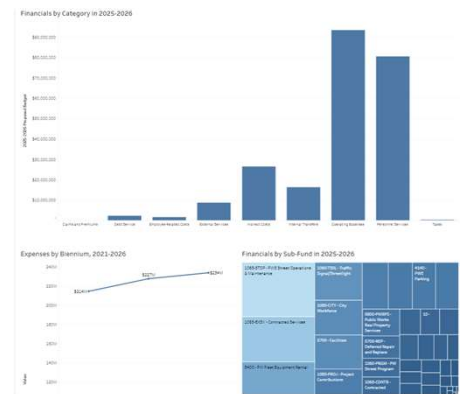
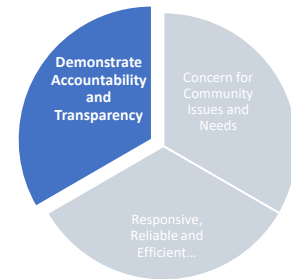


2025-2026 CITY OF TACOMA
BIENNIAL OPERATING & CAPITAL BUDGET

7

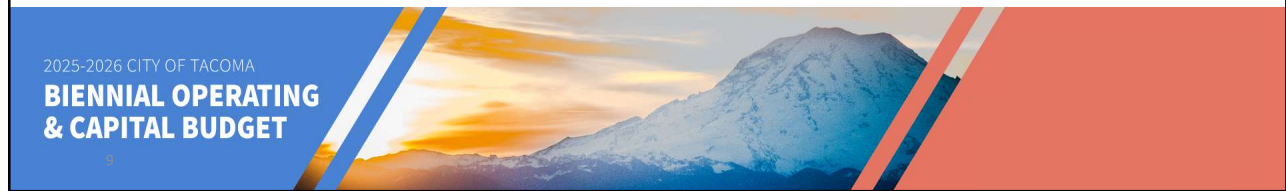
Demonstrate Accountability and Transparency

- Priority Based Budgeting
- Open Data and Dashboards
- Operational reporting through plan & initiative updates
- Communications focus – language access, website, and digital communications, public records



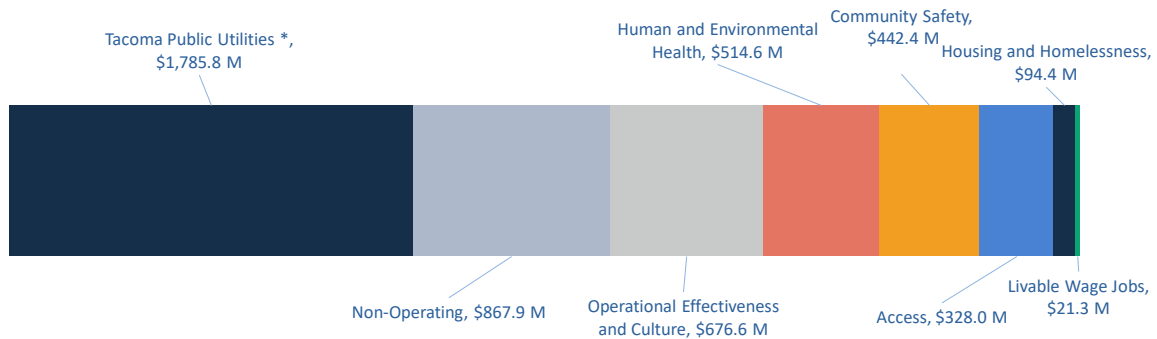
8

Financial Summary



9

2025-2026 Expenses by Priority (\$4.7B)



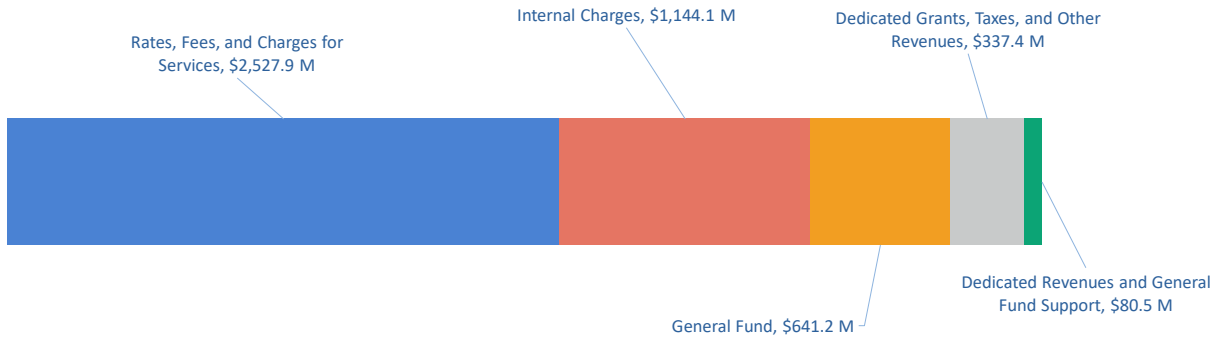
*TPU does not organize programs by priority

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BIENNIAL OPERATING & CAPITAL BUDGET

10

10

2025-2026 Proposed by Funding (\$4.7B)

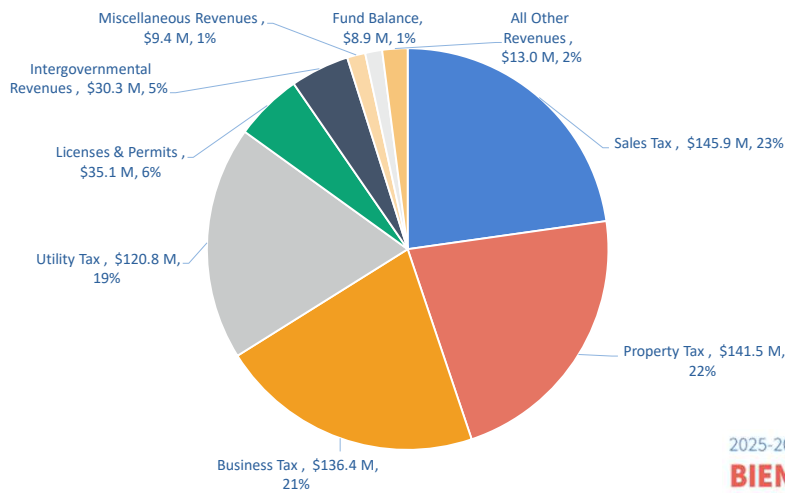


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**BIENNIAL OPERATING
 & CAPITAL BUDGET**

11

11

2025-2026 Proposed General Fund Revenues (\$641M)

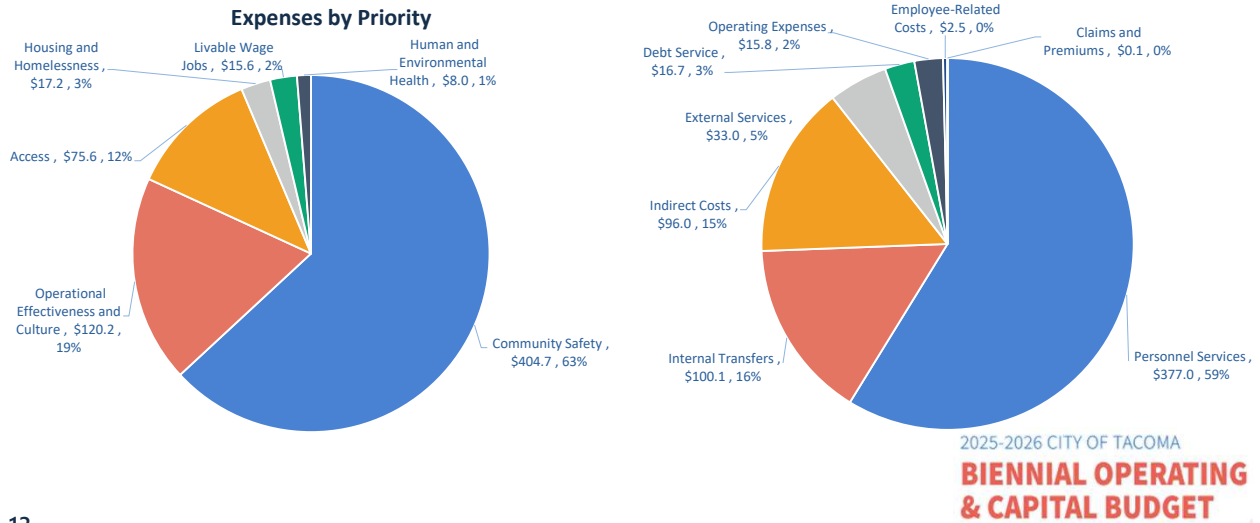


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**BIENNIAL OPERATING
 & CAPITAL BUDGET**

12

12

2025-2026 Proposed General Fund Expenses (\$641M)



13

13

Closing the \$24M Biennial Gap – Expense Reductions

Restructure of Expenses and Services (-\$5.1 M)

- Streamline and Enhance Regulatory Enforcement by Moving Code Enforcement to Permitting (-\$760k)
- Use dedicated Real Estate Excise Tax Revenue Rather than General Fund for Streets Initiative Contribution and Repair and Replacement (-\$3.6M)
- Use REET Funding for District 2 Participatory Budget Project (-\$750k)

Transition Service Delivery Model (-\$1.5 M)

- Transition Delivery Model for Senior Centers to MetroParks (-\$488k)
- Transition Human Rights Investigations to State and Contract (-\$964k)

Expense Reductions (-\$14.9 M)

- Reduce Streets Fund Transfer 1065 (One-Time Savings in Streets Fund (-\$4M)
- Reduce Complementary Services Funding (-\$450k)
- Delay CSO Hiring through 2026 to Evaluate Program (-\$1M)
- Eliminate of 4 Positions, Various Contracts, and Operating Expenses (-\$2.3M)
- Eliminate Fire Department Rover Positions (-\$4.1)
- Delay Participatory Budgeting (-\$3M)

2025-2026 CITY OF TACOMA
BIENNIAL OPERATING & CAPITAL BUDGET

14

14

Revenue

Grant (\$0.97 M)

- Federal Grant for Community Service Officers in 2025 (\$966k)

Revenues (\$3.6 M)

- Removal of Utility Tax Exemptions General Fund (\$2.7M)
- Short Term Rental Licensing, Removal of Exemption for International Investment, and False Alarm Fees (\$550k)
- New Excise Tax for Event and Move of Event Expenses from General Fund in 2026 (\$325k)

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**BIENNIAL OPERATING
 & CAPITAL BUDGET**

15

15

Expense Increases

Cost Increases and Staffing Pressure (\$0.97M)

- Add funding for attorney for Department of Assigned Counsel in response to increased caseload (\$276k)
- Maintain lateral hire incentives, digital recruiting campaign for entry level officers and recruitment & promotional testing contract (\$205k)
- Increase data transparency for TPD (\$140k)
- Maintain and enhance public safety wellness programs (\$349k)

Community Needs (\$4.3M)

- Continue implementation of the Violent Crime Reduction Plan; police overtime (\$3M)
- Extend temporary shelters at Shiloh and Alzheimer through Q1 and Q2 2025 (\$550k)
- Establish CPAC engagement budget (\$50k)
- Continue annual funds for wildfire filter fans (\$50k)
- Increase sustainability small grants funding (\$50k)
- Increase capacity for the creation of a Court Support Services Unit by adding a Manager (\$266k)
- Establish business support and emergency loan program (\$225k)
- Maintain Whole Child Summer Teen Late Nights at a Reduced Amount (\$150k)

Financial Sustainability (\$3.1M)

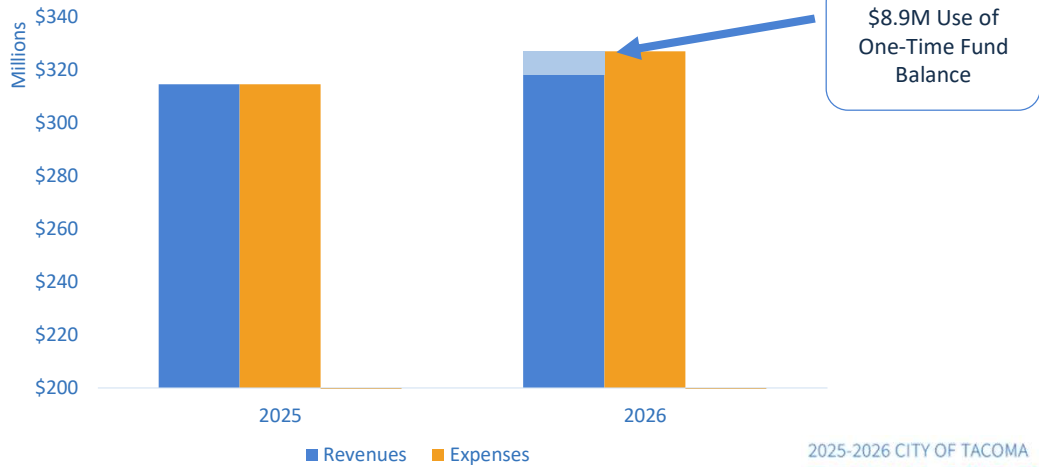
- Transfer to Mental Health and Substance Use Disorder Fund (\$3.1M)

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**BIENNIAL OPERATING
 & CAPITAL BUDGET**

16

16

General Fund Structural Gap in 2025-2026



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17

2025-2026 Reserves

Fully funds City Council Reserve Policy of 16.7% for the General Fund Reserve, 5% for Emergency Reserve, and 5% for Contingency Reserve



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BIENNIAL OPERATING & CAPITAL BUDGET

18

Economic Response

Economy improves and revenues increase

- Reconsider holds on hiring for Community Service Officers and HOPE Team
- Review reductions to Complementary Services
- Support deferred maintenance needs, fleet needs, and one-time projects

Economy moves towards a recession and/or increased cost inflation

- Make further reductions in expenses
- Hold on hiring positions and contracts
- Use reserves dedicated to addressing negative economic conditions

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BIENNIAL OPERATING & CAPITAL BUDGET

19

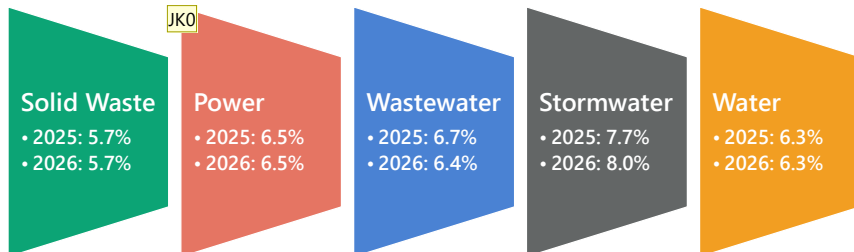
19

Fee and Utility Rate Recommendations

Fee

- Fee Schedule
- Permit Fees
- Parking

Residential Average Rate Increases



2025-2026 CITY OF TACOMA
BIENNIAL OPERATING & CAPITAL BUDGET

20

20

Highlights

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING & CAPITAL BUDGET

21

21

Housing and Homelessness

Total Funding: \$93.8M
General Fund \$16.6M

Program Name	2025-2026 Proposed Budget
Site, Residential and Building Development and Permitting	\$22.2 M
Affordable Housing Fund Programs	\$19.4 M
Emergency Sheltering	\$11.3 M
Permit Compliance	\$5.8 M
Housing and Homeless Services	\$5.4 M
Community Development Block Grant	\$2.5 M
Landlord Tenant & Tenant Relocation	\$1.1 M

Plan Implementation and Services

- Home in Tacoma
- Sub-area Plans
- Anti-displacement work
- Legislative priorities for housing and homelessness funding

Changes in 2025-2026 Budget

- Communication Team in Permitting
- Grants for TEMS, Site Consolidation, Shelter Expansion
- Site Reclamation
- Streamlined Code Enforcement

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING & CAPITAL BUDGET

22

22

Community Safety

Total Funding: \$442.3M
General Fund: \$404.7M

Program Name	2025-2026 Proposed Budget
Fire Suppression and Readiness	\$135.7 M
Patrol Services	\$108.6 M
911 Dispatch and Communications	\$26.9 M
Municipal Court Operations	\$10.7 M
Violence Reduction and Prevention	\$6.2 M
Domestic Violence & Violent Crime Investigations	\$5.7M
Jail Contracts	\$6.2 M
Indigent Defense	\$4.8 M
Traffic & Parking Infraction Operations	\$2.2M
Fire Investigations	\$1.1 M

Plan Implementation and Services

- Alternative Response
 - HOPE, CSO, HEAL
- Violent Crime Reduction Plan
- Property Crime Reduction Plan
- Fire Response
- Emergency Management

Changes in 2025-2026 Budget

- Overtime to Support Crime Response
- First Responder Wellness
- Emergency Loans for Businesses
- Court Support Position and DAC Position
- Summer Late Nights
- CPAC Outreach
- Graffiti Response and Support Program

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING
& CAPITAL BUDGET

23

23

Access

Total Funding: \$345.4M
General Fund \$75.6M

Plan Implementation and Services

- Vision Zero
- Safe Routes to School
- Language Access
- Streets Initiative
- Climate Action Plan
- Tacoma Creates

Changes in 2025-2026 Budget

- Budget Grant Match Opportunities
- Safe Routes to School Improvements
- Active Transportation Infrastructure Improvements
- Capital Sidewalk Program
- Traffic Signal Improvements
- Maker Space Librarian

Program Name	2025-2026 Proposed Budget
Street Maintenance	\$33.4 M
Transportation and Facility Capital Projects	\$27.2 M
Streets Initiative Contracted Services and Capital Programs	\$37.3 M
Library Neighborhood Services	\$19.1 M
Tacoma Creates Programming	\$10.6 M
Capital Sidewalk Program	\$4.7 M
Customer Service - 311	\$1.9 M

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING
& CAPITAL BUDGET

24

24

Livable Wage Jobs

Total Funding: \$21.3M
General Fund \$15.6M

Program Name	2025-2026 Proposed Budget
Tax & License Customer Service and Compliance	\$11.9 M
Minority Business Development Agency	\$1.1 M
Business Attraction, Retention, & Expansion	\$1.1 M
Equity in Contracting	\$1.0 M
Tacoma Training & Employment Program	\$1.2 M
Local Employment Apprenticeship Program	\$1.1 M

Plan Implementation and Services

- Green Economy Study
- Economic Development Plan
- Equity in Contracting
- Job Training Program

Changes in 2025-2026 Budget

- Workforce Training Programs
- Training Programs – Jobs 253, Engineering Pathways
- Business Support through MDBA and Business Services Team (Emergency Loans)

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING & CAPITAL BUDGET

25

25

Human and Environmental Health

Plan Implementation and Services

- Utility Services
- Tidy Up
- Urban Forestry
- EMS and BLS Response
- Climate Action Plan

Changes in 2025-2026 Budget

- CARES Nursing
- Tidy Up – Litter Patrol, Second Tidy Up Crew
- Construction Arborist
- Tree Maintenance Crew
- Solid Waste Staffing
- Call 2 Haul Multi-Family
- Deconstruction Program Development
- Wildfire Fan and Sustainability Small Grants
- Grants

Total Funding: \$514.6M
General Fund \$8.1M

Program Name	2025-2026 Proposed Budget
Medical Response/Patient Care/Transport	\$67.3 M
Garbage Disposal & Transport	\$36.2 M
Sewer Transmission Systems	\$30.7 M
Capital Project Planning & Delivery	\$27.4 M
Residential Garbage Collection	\$25.9 M
Wastewater Plant Operations -	\$24.9
Tidy Up Tacoma	\$12.6 M
Urban Forestry	\$4.1 M

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING & CAPITAL BUDGET

26

26

2025-2026 Budget - Operational Capacity

Organizational Culture

- Fostering a Diverse, Equitable and inclusive Culture – Employee Resource Groups and Expanded work in Departments
- Hiring and Retaining Talent
- Succession planning and growing leaders
- Mental Health Support for First Responders
- Safety

Organizational Effectiveness

- Core Business application SAPNOW - lifecycle replacement for critical infrastructure
- Digital transformation and demand
- Cybersecurity
- Reorganizations
- Risk Management
- Improved Centralized Search for Disclosure Efforts

2025-2026 CITY OF TACOMA

BIENNIAL OPERATING & CAPITAL BUDGET

27

27

Budget Calendar



2025-2026 CITY OF TACOMA

BIENNIAL OPERATING & CAPITAL BUDGET

28

28

Proposed Budget Fall Outreach

- City Manager presentations at Community Organizations
- Staff led Balancing Act virtual events on Proposed Budget
- Public Hearings



2025-2026 CITY OF TACOMA
**BIENNIAL OPERATING
 & CAPITAL BUDGET**

29

29

Budget Summary

- Continue to provide basic health and safety services
- Respond to needs of the City’s business community
- Continue to evaluate alternative response programs like HOPE and CSOs
- Continue the implementation of planning efforts
- Support permit services and compliance efforts



2025-2026 CITY OF TACOMA
**BIENNIAL OPERATING
 & CAPITAL BUDGET**

30

30

2025-2026 Proposed Budget

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