



# PROPOSED BUDGET 2021-2022

City of Tacoma Public Hearing  
October 27, 2020



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## AGENDA

- **Overview: Budget Development, Council Priorities, Community Engagement, and Balanced and Sustainable Financials**
- **Proposed 2021-2022 Budget**
  - Structure for Anti-Racist Transformation
  - Maintain Essential Services
  - Respond and Recover



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# CITY COUNCIL PRIORITIES

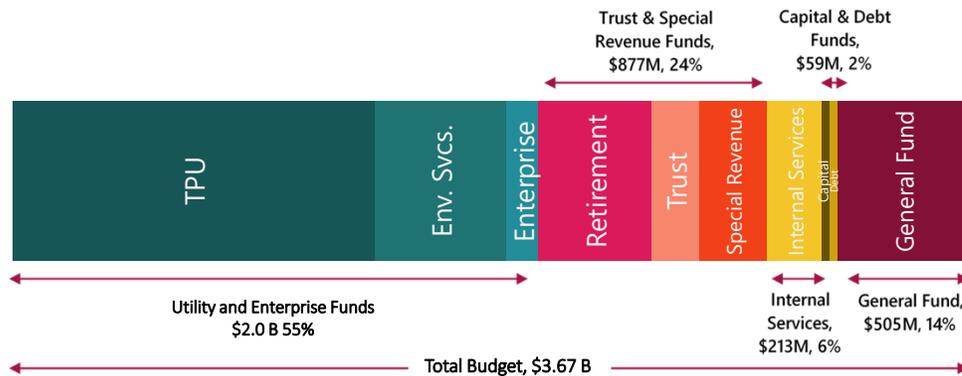
## 2021-2022 Proposed Budget

- Maintains financial sustainability
- Sets the structure for transformation
- Maintains equitable essential services
- Provides for response and recovery from pandemic impacts



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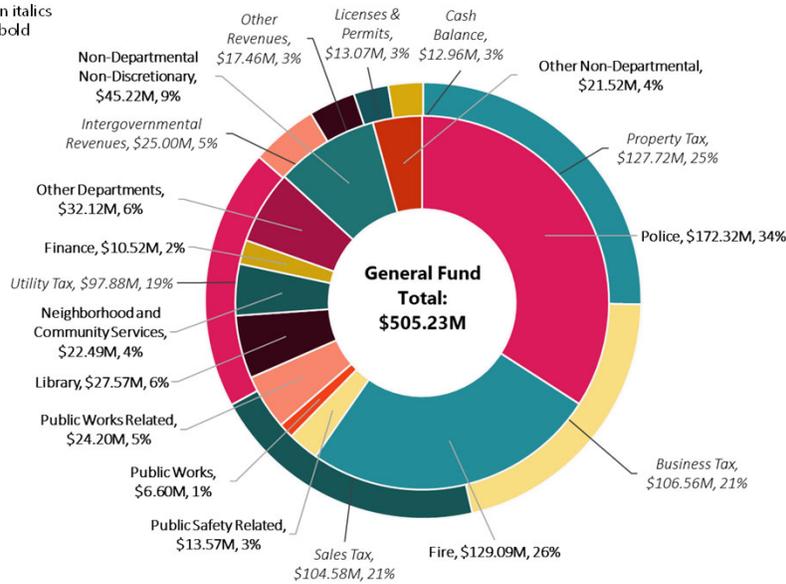
# CITY OF TACOMA BUDGET



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# GENERAL FUND

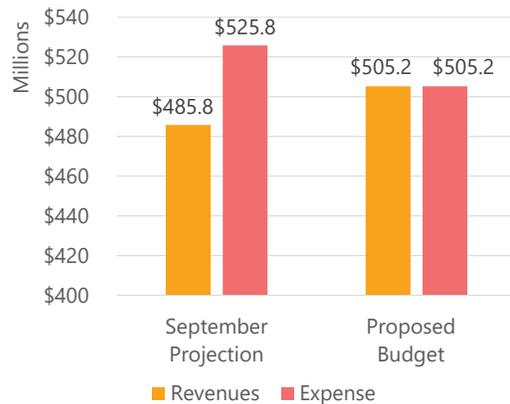
Revenues shown in italics and Expenses in bold



## PROPOSED BUDGET - CLOSING THE GAP

### Address General Fund Gap of \$40M

- Reductions and Mitigations (-\$27.3M)
- Labor Costs Assumptions and Internal Service Charges (-\$4.5M)
- Updates and Redirects Revenues (\$6.5M)
- Savings From 2020 Reductions (\$12.9M)
- Enhanced Services (\$11.2M)



## REDUCTIONS AND MITIGATIONS (-\$27.3M)

- Redirects Fire resources for deployment of in-house Basic Life Support services
- **Reduces Police authority to spend on staffing**  
**Reduces fleet replacement and deferred maintenance programs**
- Repurposes 2<sup>nd</sup> Floor Main Library for community organization use
- Reduces Municipal Court and Legal Department staff to align with caseload changes and efficiencies
- Pauses Innovative Grant Program
- Extends Senior Center closure to respond to COVID safety-related restrictions



2021-2022  
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## I-976 UPDATES

- Street Operations Adjustments
  - Revenue now available or projected:
    - \$2.9M in 2020
    - \$5.8M in 2021-2022
  - Revenues proposed to be used for
    - Street Rehabilitation - \$5.8M
    - Non-Motorized - \$0.5M
    - Traffic Signal and Streetlights - \$2.0M
- Real Estate Excise Tax (REET) adjustments
  - Use I-976 for Traffic Signal and Streetlights Improvements \$2M
  - Use REET rather than General Fund for \$2M in Contribution to Streets Initiative

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## GENERAL FUND AMENDMENTS

- Library – add funding in order to mitigate impacts to Library services (\$1M)
- Neighborhood Planning Program – add one plan in 2021-2022 (\$480K, +1FTE)
- Opioid Coordinator – City would match funds from Pierce County (\$120K)
- Gross Earning Tax Revenue Impacts Related to Changes in Rates (\$280K up)
- Downtown Retail Coordinator Continuation
- Clean & Healthy Work Program
- Continued Consideration of TPD Staffing Matrix Study
- BLS Alternatives: Delayed/Staggered Start of BLS and Restore all Engines for Biennium

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## CAPITAL FACILITIES PLAN AND CAPITAL BUDGET

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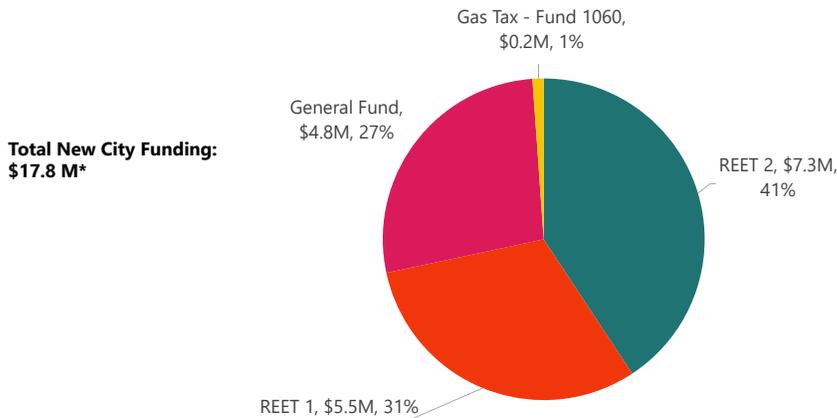
# CAPITAL OVERVIEW

- Capital Facilities Program (CFP)
  - Planning document for desired capital projects in the next six year period
  - Includes confirmed and potential funding sources
    - 42 New Projects (23 Utilities Projects and 16 Transportation Projects)
- Capital Budget
  - Identifies confirmed new funding for capital projects in the upcoming biennium
  - Sets appropriation authority for capital funds
    - Also indicates projects with previous appropriation



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# GENERAL GOVERNMENT CAPITAL BUDGET OVERVIEW - FUNDING



\*Total New City Funding excludes utility capital program spending. When included, the total new funding in the Capital Budget is \$391.6 M

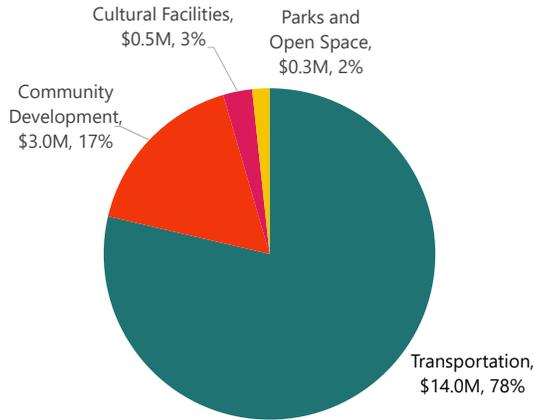
Note: Chart not updated in light of I-976 ruling. Amendments to Proposed Budget forthcoming.



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# GENERAL GOVERNMENT CAPITAL BUDGET OVERVIEW - EXPENSE

Total New City Funding: \$17.8 M\*



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\*Total New City Funding excludes utility capital program spending. When included, the total new funding in the Capital Budget is \$391.6 M

Note: Chart not updated in light of I-976 ruling. Amendments to Proposed Budget forthcoming.



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# 2021 PROPERTY TAX LEVIES

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## OVERVIEW

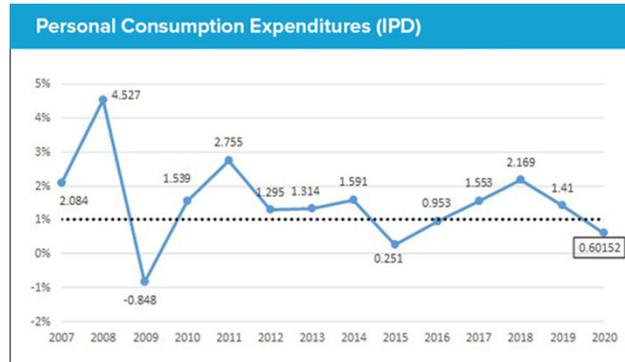
- Review Property Tax resolution & ordinances for 2021
  - Resolution Declaring Substantial Need
  - Four Ordinances to set the City of Tacoma's regular and EMS property tax levies (each levy has two ordinances):
    - Approves the total levy amount to be collected
    - Approves the percentage and dollar increase over the prior year's actual levy

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## SUBSTANTIAL NEED

- State law requires that the City Council declare substantial need to levy the full 1% increase in years when the Implicit Price Deflator is less than 1%.
- Without substantial need declaration, property levy can only increase by 0.6%



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## REGULAR PROPERTY TAX LEVY

- The ordinances authorize the 2021 property tax levy at \$67.8 M, 1% increase over the highest regular levy

	2021 Revenues
Regular Property Tax Levy	\$67.8 M
New Construction Revenues	\$1.0 M
Refund Levy	\$0.2 M
<b>Total Estimated Levy</b>	<b>\$69.0 M</b>
Anticipated Property Tax Revenues (Using historical collection rate)	\$66.3 M



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## EMS LEVY

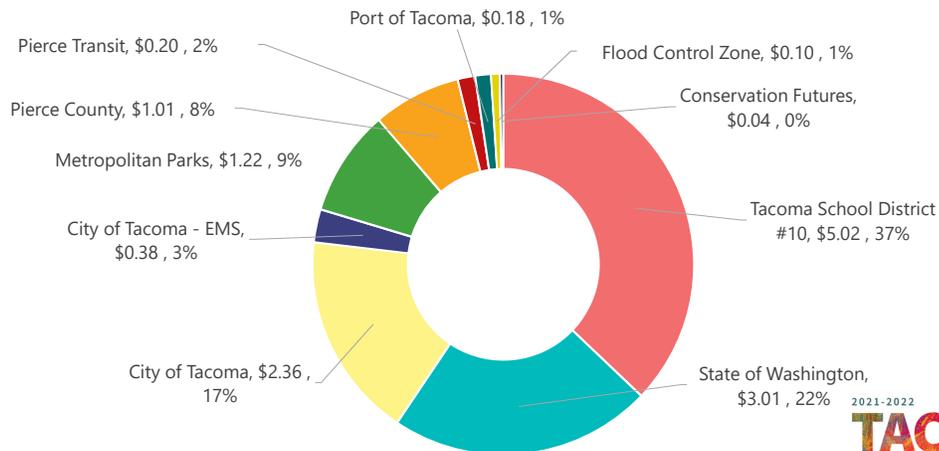
- The ordinances authorize the 2021 EMS property tax levy at \$11.5 M, 1% increase over the highest regular levy

2021 Revenues	
Regular Property Tax Levy	\$11.5 M
New Construction Revenues	\$0.2 M
Refund Levy	\$0.04 M
<b>Total Estimated Levy</b>	<b>\$11.7 M</b>
Anticipated Property Tax Revenues (Using historical collection rate)	\$11.2 M



## 2020 PROPERTY TAX RATE PER \$1000 AV

\$13.53 Tax Rate per \$1,000 AV



# 2021 PROPERTY TAX LEVIES



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