



AGENDA

- Overview
- Revenues
- Expenses
- Supported and Other Funds
- Considerations

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CREATING A GOOD BUDGET

Creating a Good Budget

- Incorporates a long-term perspective
- Establishes linkages to organizational goals
- Focuses on results and outcomes given available public resources
- Involves and promotes effective communication with stakeholders

Long-Range Forecast

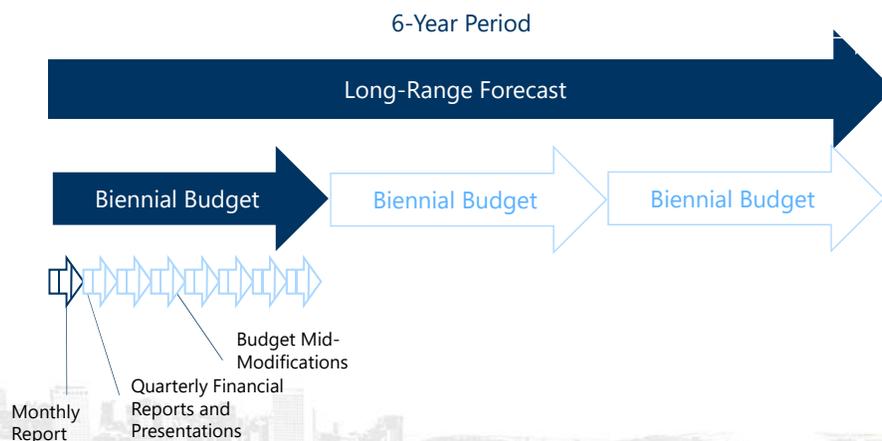
- 6-year basis
- Assumes status quo continues
- Provides snapshot of long-term structural sustainability of the City's tax base and expense base
- Facilitates discussions of long-term policies, such as infrastructure investments, labor and pension costs, and tax policies

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CORE SERVICES
CONTINUOUS SUPPORT
CREDIBILITY

CITY OF TACOMA
**BIENNIAL
BUDGET**
2019 - 2020

BUDGET PROCESS

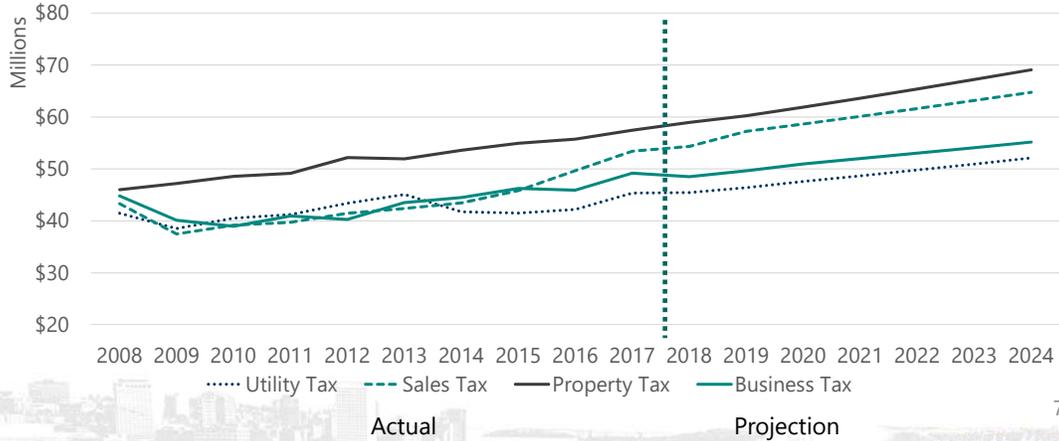


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CORE SERVICES
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CITY OF TACOMA
**BIENNIAL
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2019 - 2020

MAJOR GENERAL FUND REVENUES

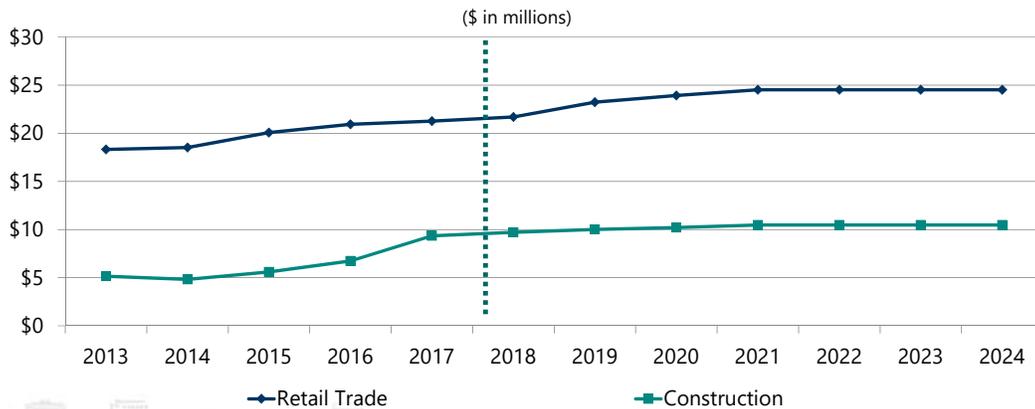


CORE SERVICES
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CITY OF TACOMA
BIENNIAL BUDGET
2019 - 2020

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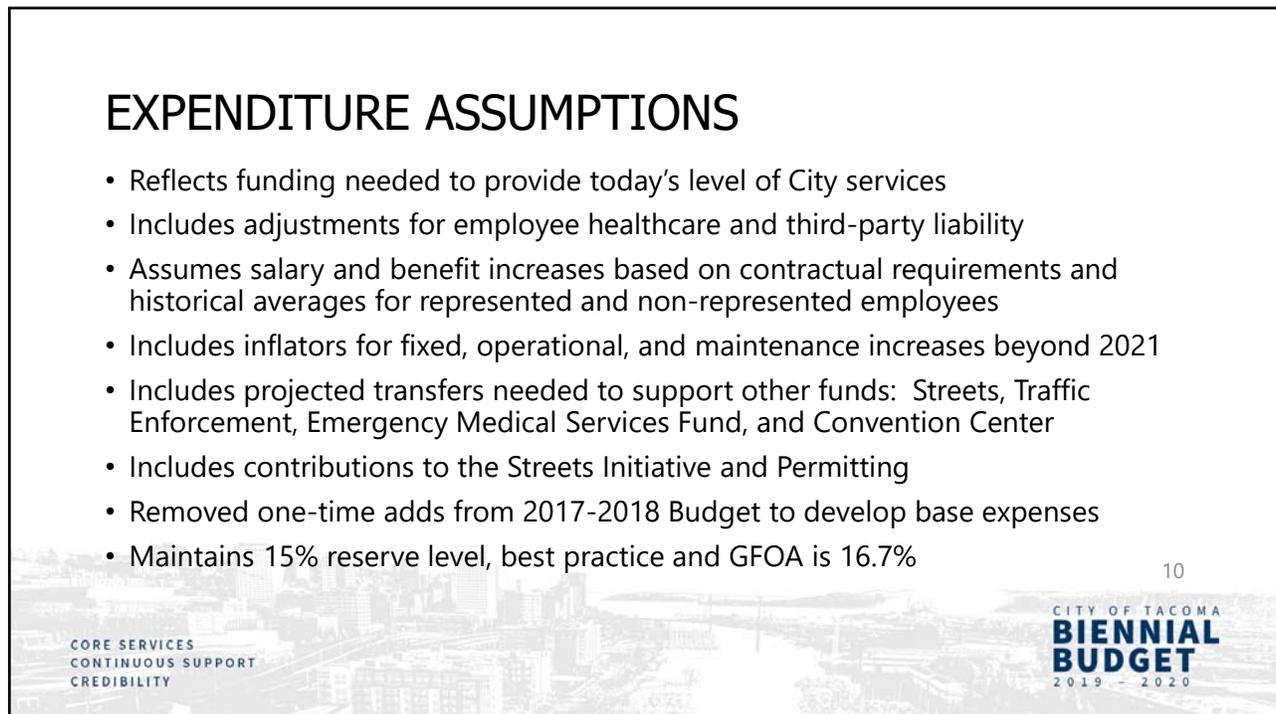
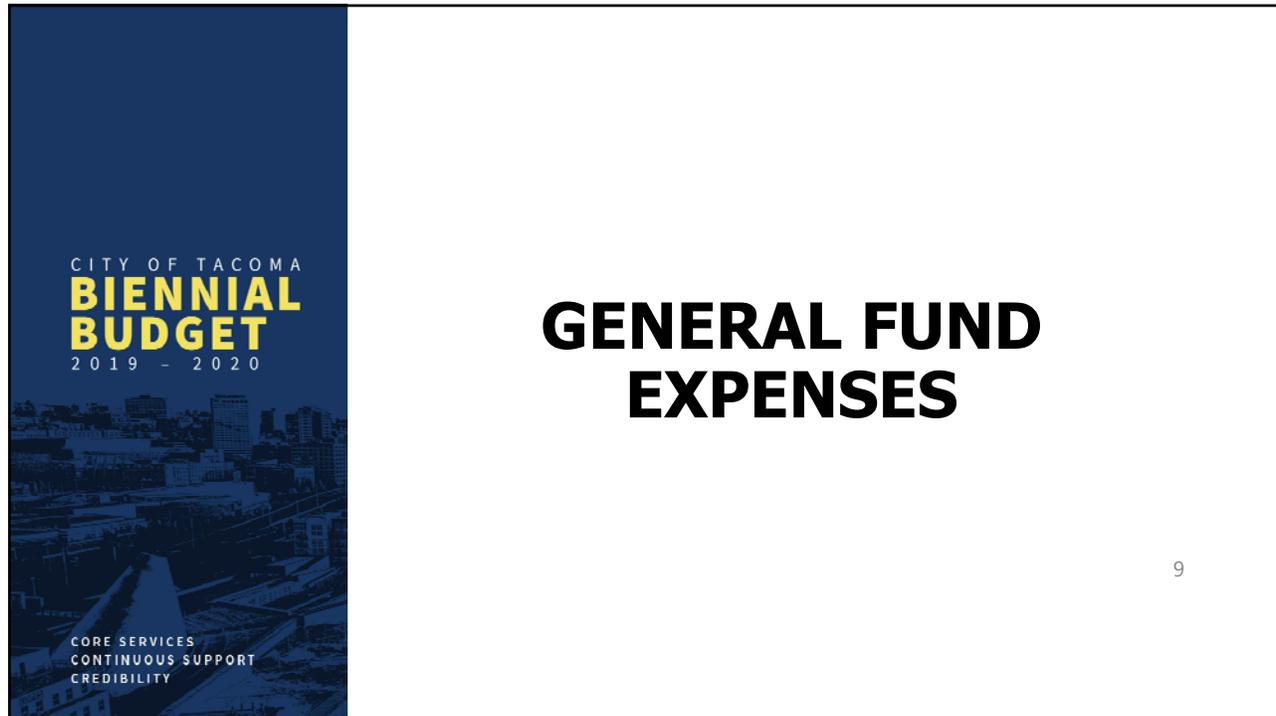
RETAIL & CONSTRUCTION SALES TAX REVENUE



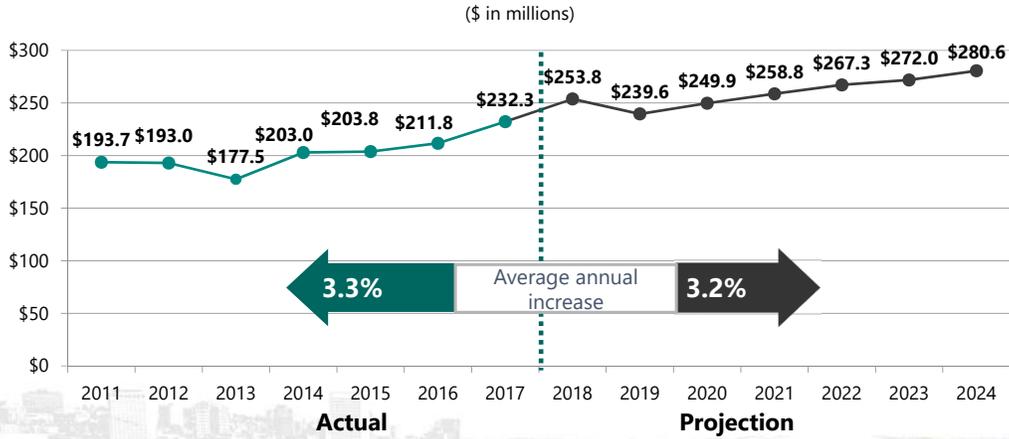
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CITY OF TACOMA
BIENNIAL BUDGET
2019 - 2020

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TOTAL GENERAL FUND EXPENSES

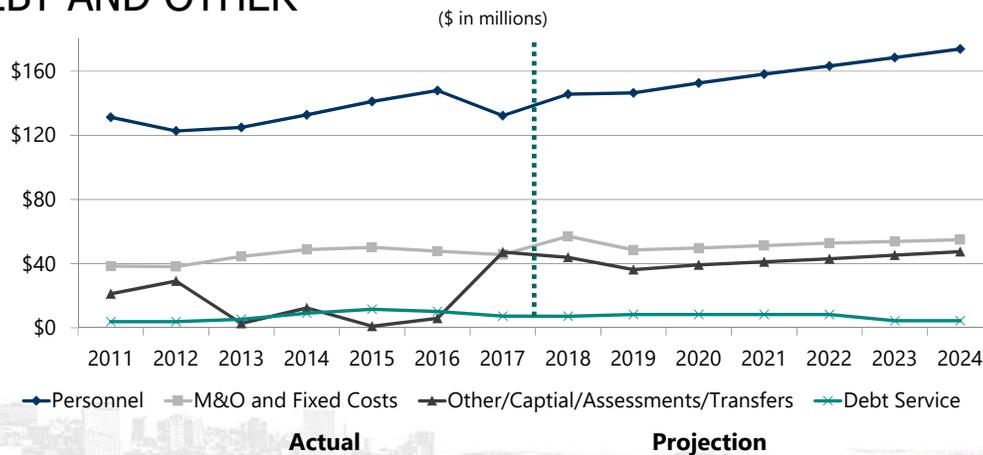


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CITY OF TACOMA
BIENNIAL BUDGET
2019 - 2020

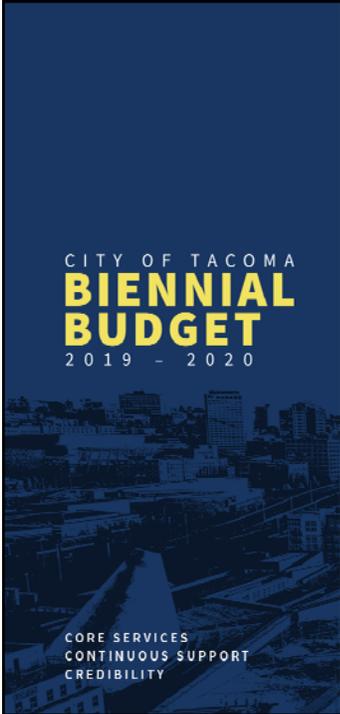
PERSONNEL, MAINTENANCE AND OPERATIONS, FIXED, DEBT AND OTHER



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CITY OF TACOMA
BIENNIAL BUDGET
2019 - 2020



**CITY OF TACOMA
BIENNIAL
BUDGET
2019 - 2020**

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GENERAL FUND FORECAST (2019-2024)

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GENERAL FUND FORECAST

- Ongoing General Fund expenditures are growing at a faster rate than revenues

Average % Growth from 2020-2024	
Revenue	2.1%
Expense	3.2%

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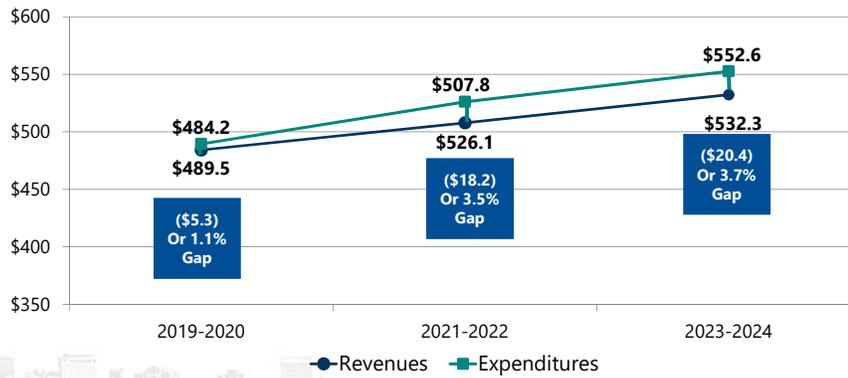


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**BIENNIAL
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UPDATED GENERAL FUND FORECAST

(\$ in millions)



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2019 - 2020

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CONSIDERATIONS

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RELATED SPECIAL REVENUE TRENDS

Emergency Medical Services

- Funded by Property Tax & Insurance Payments
- Current revenues, unsustainable to cover expenses
- Projected transfer of \$2M in 2019-2020 which grows to \$7 M by 2023-2024

REET

- Volatile Revenue – still growing at a slower rate
- Capital Spending Only

Traffic Engineering, Education, and Enforcement

- Primary Revenue from Redlight and Speed Cameras – new contract
- General Fund Supported - \$1.5 M in 2019-2020 grows to \$1.8 M in 2023-2024

Street Funding - Sales, Property, Utility Tax

- Streets Initiative
 - Sales Tax
 - Property Tax
 - Utility Tax
- Street Operations
 - Utility Tax
 - Motor Vehicle Fuel Tax
 - TBD Vehicle Fee
- General Fund – Approximately \$21 M

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BIENNIAL BUDGET
2019 - 2020

ENTERPRISE FUNDS

Permitting

- Positive projected revenue trends, due to cyclical up swing
- General Fund needed to fund non-permit related expenses - \$1.5 M in 2019-2020

Tacoma Dome

- Positive revenues projected – event related fees and revenues
- General Fund projected to fund debt as part of the recent capital investment

Convention Center

- Positive revenue trends – lodging and sales tax
- General Fund support not needed until 2021 - \$1 M in 2021-2022

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BIENNIAL BUDGET
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Asset Management

Fleet

- Fleet Replace Program \$12.5 M (General Government Excluding Environmental Services)

Facilities

- Facilities Analysis – Deficiencies of \$45-55 M
 - Asset Repair and Replacement Program (\$10 M)
- Tacoma Dome and Convention Center
- Broadway Center Remaining Capital Campaign \$2.5 M

Streets, Signals, Streetlights, Bridges, Trails, and Walking Infrastructure

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**BIENNIAL
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2019 - 2020

Other Considerations

- Station 5 – Revised Cost Estimates
- Sound Transit Contribution
- Outstanding Legal Items
- Demolition Building Fund
- Tacoma Housing Authority – Arlington Drive
- Foss Waterway Development Authority
- Sounders Stadium
- Economic Downside Risk

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**BIENNIAL
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2019 - 2020

Priority Areas

Priority Areas	Examples
Homelessness	Permanent Supportive Housing, Increased Sheltering
Affordable Housing	Affordable Housing Alternatives
Economic Development	Economic Development Strategy, Rehabilitation of Office Spaces
Public Safety	Police Hiring Plan, Body Cameras, Code Enforcement
Walkability	Safe Routes to School, Walking Infrastructure
Digital Equity	Internet Service Models, Hardware, Access Options
Transit Access	Convening
Regional Coordination	Convening
Civic Engagement	Convening

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**BIENNIAL
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2019 - 2020

2019-2020 PROJECTION

(\$ in millions)

	2019-2020 Projection
Projected Strategic Savings End of 2018	\$15.2
Contribution to Maintain 15% Reserves (given growth in expenses)	\$2.0
Sound Transit	\$1.0
Broadway Center Contribution	\$2.5
Remaining Savings	\$9.7

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2019 - 2020

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BIENNIAL BUDGET

2019 - 2020

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ALTERNATIVES

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CONSIDERATIONS ON TAXES, FEES, AND DEBT

- Impact
 - Connection between the "tax" and service
 - Regressive vs. progressive tax structures
 - Tax level for community
 - Level of fixed debt service
- Priority
 - Priority areas for expenses
- Timing
 - Implementation plan readiness
 - Collective impact of tax measures

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**BIENNIAL
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2019 - 2020

REVENUE ALTERNATIVES

Proposed Uses	Revenue Source	Approval Authority	Annual Revenues
Affordable Housing	Sales Tax	Public Vote	Up to \$5 M (0.1%)
Affordable Housing	Property Tax – Levy	Public Vote	\$11 M (\$0.5 per \$1,000 AV)
Cultural Arts	Sales Tax	Public Vote	Up to \$5 M (0.1%)
Cultural Arts	Property Tax - Levy Lid Lift	Public Vote	\$5 M (\$0.21 per \$1,000 AV)
Permitting	Fee	Council Action	Depends on Implementation
Public Safety- EMS	Property Tax - Levy Lid Lift	Public Vote	\$950 K (Vote in 2018)
Public Safety- EMS	Ambulance Fees	Council Action	Depends on Implementation
Streets	Local Option Motor Vehicle Fuel Tax	County Council and Public Vote	Up to \$1-3 M
Streets	Vehicle Fees	Transportation Benefit Districts (TBD) and Voters	\$6 M
Multiple Uses	Impact Fees	City Council or Transportation Benefit District (TBD)	Depends on Implementation

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2019 - 2020

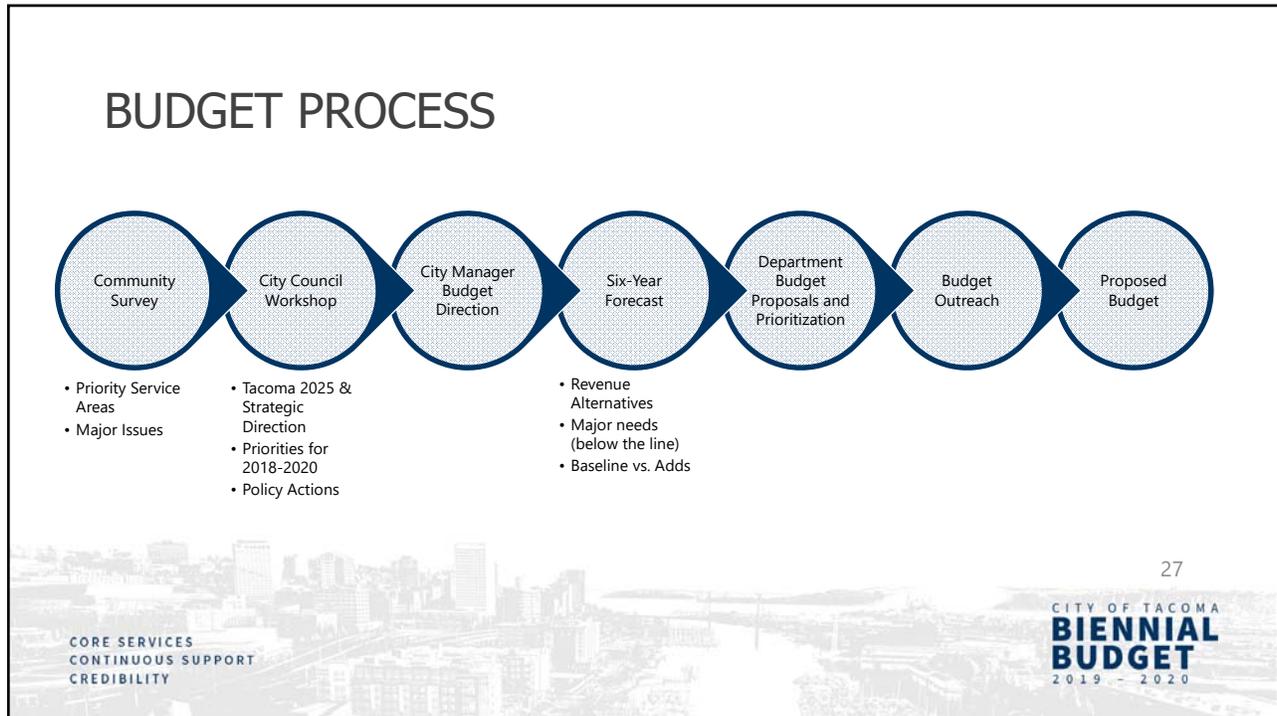
REVENUE ALTERNATIVES

Proposed Uses	Revenue Source	Approval Authority	Annual Revenues
All Potential Uses	Gross Earnings Tax	Public Vote	\$3 M
All Potential Uses	Business and Occupations	City Council	\$9 M
All Potential Uses	Eliminate Gross Income Threshold	City Council	\$1.5 M
All Potential Uses	Eliminate New Jobs Credit	City Council	\$400 K
All Potential Uses	Admission Tax for Non-Profits	City Council	\$340 K
All Potential Uses	Business License Fees	City Council	\$1.1 M
All Potential Uses	Head Tax	City Council	Depends on Implementation
All Potential Uses	"Bullet" Tax	City Council	Depends on Implementation

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LONG RANGE FORECAST (2019-2024)

Study Session – May 15, 2018

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2019 - 2020

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