



**TO:** T.C. Broadnax, City Manager  
**FROM:** Tadd Wille, Budget Director, Office of Management & Budget  
Andy Cherullo, Director, Finance Department  
**COPY:** City Council and City Clerk  
**SUBJECT:** Ordinance – Budget Amendment to Address the Passage of Proposition 3 and Proposition A – February 2, 2016  
**DATE:** January 14, 2016

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**SUMMARY:**

Amending the 2015-2016 Biennial Budget to appropriate funds the City will receive as a result of voter approval of Proposition 3 and Proposition A.

**STRATEGIC POLICY PRIORITY:**

- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

On July 14, 2015, the Transportation Benefit District Board adopted Amended Resolution No. TBD 008 to place ballot measure Proposition No. 4, later referred to as Proposition A, on the ballot for the General Election. Proposition A, which authorized a sales and use tax increase of one tenth of one percent (0.1%) to fund street improvements, was passed in the November 3, 2015, General Election.

On July 14, 2015, the City Council adopted Resolution No. 39236 to place ballot measure Proposition No. 3 on the ballot for the General Election. Proposition 3, which authorized an 1.5 percent increase in the earnings tax on utilities companies and a levy lid lift of \$0.20/\$1,000 in assessed value over a period of ten years, was also passed in the November 3, 2015, General Election.

Proposition A is expected to generate an additional \$2,380,000 in revenues for the 2015-2016 biennium and Proposition 3 is expected to generate an additional \$9,890,000. This amendment will recognize these revenues, including additional City contributions, and increase expenditure budgets (appropriations) for the purpose of street maintenance improvements and safety upgrades to the City's streets and transportation infrastructure.

**ISSUE:**

Changes to the budget are necessary to account for voter approval of Proposition A and Proposition 3.

**ALTERNATIVES:**

City Council could choose not to appropriate the requested adjustments in the 2015-2016 biennium. However, this would result in funds lacking appropriation to spend the new street improvement revenues.

**RECOMMENDATION:**

It is recommended that the Biennial Budget of the City of Tacoma for the fiscal years 2015-2016 ("Biennial Budget") be amended as set forth in Exhibit "A" and explained in narrative form in Exhibit "B".

**FISCAL IMPACT:**

The 2015-2016 Biennial Budget is to be amended as set forth in Exhibit "A" and explained in narrative form in Exhibit "B."