

Monthly Budget Update 2023 Year End 2024 First Quarter

April 23, 2024

2025-2026 CITY OF TACOMA

**BIENNIAL OPERATING
& CAPITAL BUDGET**

1

Agenda

- General Fund 2023 Year End Financials
- General Fund 2024 Quarter 1 Review
- Overall Trends
- 2025-2026 Budget Development Calendar

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2

2

2023 General Fund Revenues

Revenue Category	Budget	Actual	Variance	% Variance
Sales Tax	\$ 70.3 M	\$ 69.2 M	-\$ 1.2 M	- 1.7% ↓
Property Tax	\$ 67.1 M	\$ 67.3 M	\$ 0.2 M	0.3%
Business Tax	\$ 62.4 M	\$ 63.1 M	\$ 0.7 M	1.2%
Utility Tax	\$ 56.9 M	\$ 55.4 M	-\$ 1.4 M	- 2.5%
Miscellaneous Revenues	\$ 19.6 M	\$ 20.6 M	\$ 1.0 M	4.9% ↑
Licenses & Permits	\$ 15.0 M	\$ 14.0 M	-\$ 1.0 M	- 6.7%
All Other General Fund Revenues	\$ 20.7 M	\$ 20.3 M	-\$ 0.3 M	- 1.7%
Grand Total	\$ 312 M	\$ 309.9 M	-\$ 2.0 M	- 0.7%

- Sales Tax under performing
- Utility Tax ended 2023 down after adjusting projection in September – due to December accrual
- License and Permits ended 2023 down after adjusting projection in September

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3

3

2023 General Fund Expenses

Projected savings of under \$3M after carryover of delayed expenses into 2024	
Personnel Costs	Total vacancy savings of \$4.2M <ul style="list-style-type: none"> • Fire ended under projections by \$1.3M • Neighborhood and Community Services saved \$1M due to vacancies • All other departments \$1.9M
Non-Personnel Costs	Slight overage due to cost increases of \$2.2M or under 1% (due to increased costs for fleet, equipment, and supplies) <ul style="list-style-type: none"> • OMB is working closely with departments to project potential impacts of these trends on the 2024 budget

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4

4

Other Revenue Updates - 2023

Fund	Sum of Budget	Sum of Actual	Sum of Variance	% Variance
Permit Fund - 4110	\$ 18 M	\$ 20.8 M	\$ 2.8 M	15.7%
Parking Fund – 4140* Includes General Fund Transfer	\$ 7 M	\$ 8.2 M	\$ 1.2 M	17.1%
Real Estate Excise Tax	\$ 12.4 M	\$ 8.7 M	-\$ 3.7 M	-31.1%
1/10 of 1% Sales Taxes (MHCD, Streets Initiative, Tacoma Creates, Affordable Housing)	\$ 30.1 M	\$30.0 M	-\$ 0.1 M	-0.2%

- Both Permit and Parking Fund are doing better than originally expected
- Real Estate Excise Tax (REET) continues to underperform
- 1/10th 1% Sales Taxes below projections

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5

5

Q1 -2024 General Fund Revenues

Revenue Category	Budget	Actual	Variance	% Variance
Sales Tax	\$ 18.2 M	\$ 17.3 M	-\$0.9 M	-5.2% ↓
Property Tax	\$ 1.9 M	\$ 1.7 M	-\$0.2 M	-11.1%
Business Tax	\$ 16.7 M	\$ 18.1 M	\$1.4 M	8.2%
Utility Tax	\$ 14.8 M	\$ 15.6 M	\$0.7 M	5.1%
Miscellaneous Revenues	\$ 4.4 M	\$ 5.3 M	\$1.0 M	21.8% ↑
Licenses & Permits	\$ 18.4 M	\$ 18.7 M	\$ 0.3M	1.7%
All Other General Fund Revenues	\$ 5.0 M	\$ 6.4 M	\$1.4 M	28.3%
Grand Total	\$ 79.4 M	\$ 83.1 M	\$ 3.7 M	4.6%

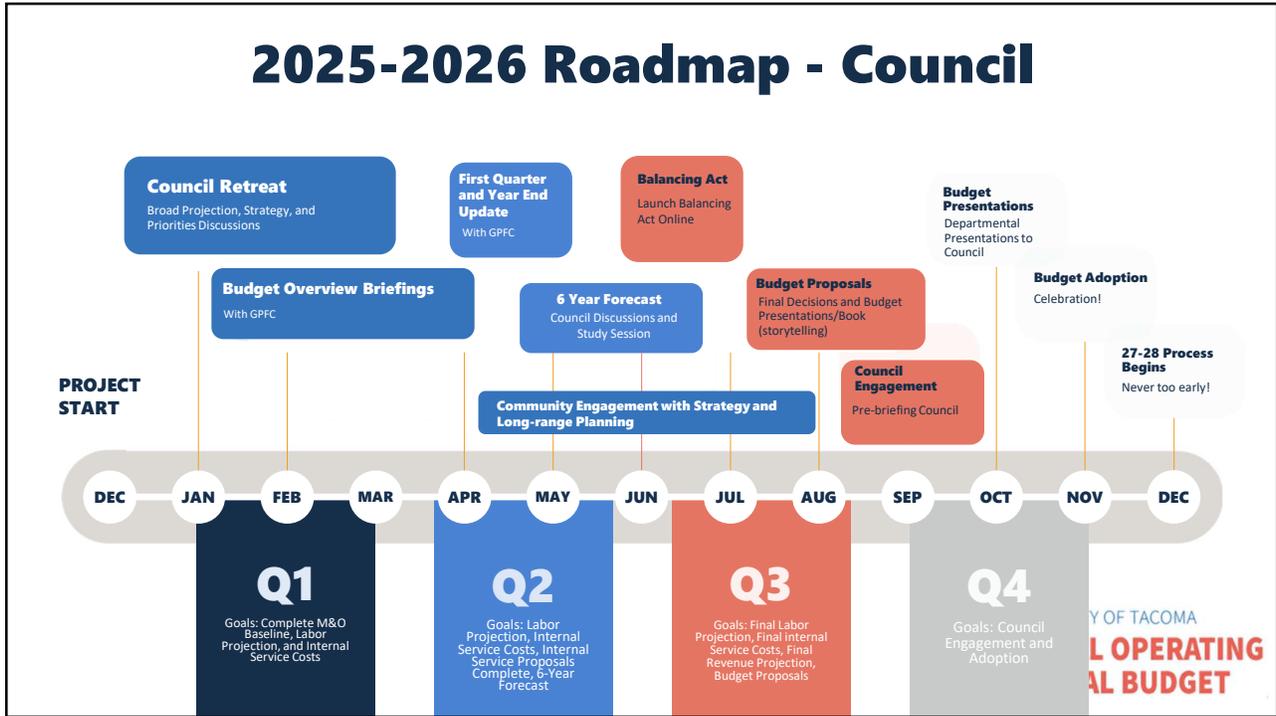
- Sales Tax down compared to budget, first quarter 3% below Q1 2023
- Business Tax positive due to one-time occurrence of \$1.5M
- Other General Fund Revenues held up by interest earnings and one- time occurrences

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6

6



7

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8