


Mid-Biennial Modification

Katie Johnston, Budget Manager
City Council
November 28, 2017

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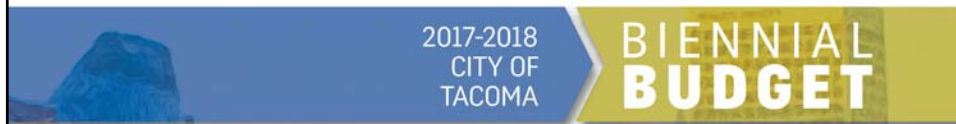
Purpose of Modification

- State Law requires a mid-biennial review and modification before conclusion of first year of biennium
- Mid-Biennial Modification:
 - Aligns and updates revenue and expenditure budgets with updated financial information and trends
 - Adjusts for resolutions previously approved by City Council
 - Provides for budgetary corrections or adjustments
 - Adapts and responds to changes in needs
 - Incorporates a long-term view



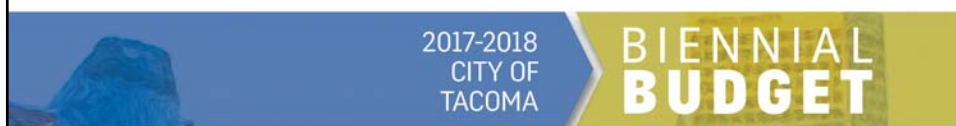
General Fund Updates

	2017-2018 Budget	2017-2018 Projection	Change	Change (%)
Revenues	\$450.27	\$464.09	\$13.81	3.1%
Expenses	\$472.66	\$464.62	(\$8.04)	(1.7%)



Homelessness

- 2017 Emergency Response (\$3.36 M – General Fund)
- Stabilization Site (\$2.26 M - \$1.13 M General Fund)
- Readiness Site (\$2.93 M - \$1.58 M General Fund)
- Expanded Stabilization Services (\$580 k - \$480 General Fund)
- HOT Team (\$1.15 M – General Fund)



Public Safety



- HOT Team (\$1.0 M - 4 FTEs Police)
 - Weekly Set Mission (\$40 k)
 - Police Records Coordinator (\$96 k – 1 FTE)
 - Enhanced Hiring Efforts for Police (\$258 k)
 - Fire Station 5 (\$2.24 M – 12 FTE)
 - Fire Recruit Class, Turnouts, Leave Payouts (\$1.6 M)
- All General Fund

Tacoma Dome

- Increased bond payment (\$430 k – General Fund)
 - Paid in future years through ending debt service in 2019
- Additional Scope (\$3.40 M – General Fund)



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Infrastructure

- Esplanade and Seawalls at Site 10 and 12 on Foss Waterway (\$1.91 M – General Fund)
- 21st Street Safety Improvements (\$500 k – General Fund)
- Street Engineering and Maintenance Work and Assistance with Permitting (7 FTE)
- Safe Routes to Schools Coordinator (1 FTE)
- Fast Foot Ferry Feasibility Study (\$30 k – General Fund)



2017-2018
CITY OF
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**BIENNIAL
BUDGET**

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Economic Development

- Permitting (\$1.13 M)
 - 5 FTEs – Dependent in part on fee restructuring to ensure sustainability
 - Increased Land Use Notification
 - Consultant services for backfill work and communication



2017-2018
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**BIENNIAL
BUDGET**

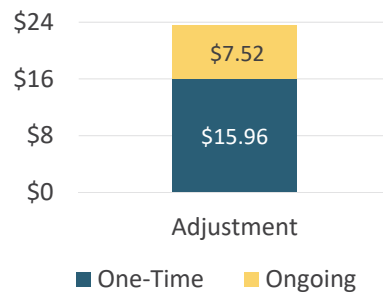
Environmental Policy and Sustainability

- Resource Conservation Manager (\$100 k)
 - Surface Water, Wastewater, Solid Waste
- EnviroChallenger (\$100 k)
 - Surface Water, Wastewater, Solid Waste



Summary of General Fund Adjustments

(Millions)



Total: \$23.48 M

- \$7.52 M in Ongoing
- \$15.96 M in One-Time

Since the expenses are funded in part through expenditure savings of \$8.04 M, these adjustments result in an increase of \$15.44 M to the budget.

Special Revenue and Capital Funds

Fund	Description	Amount
Fire – Special Revenue	Recognition of SAFER Grants and Other Emergency Services Grants	\$1.63 M
Police - Special Revenue	Recognition of Federal Grants	\$560 k
CED – Special Revenue	Funding for Readiness Site, Property Purchases, Operating and Remediation Expenses related to Property Purchases, WSDOT Amtrak Display	\$2.12 M
Street Fund	Personnel Enhancements, Revenues and Damage Reimbursements, Portable Screen Shaker	\$653 k
Property Management	Adjustments to Property Management for Personnel Enhancements, and Steele Street Improvements	\$278 k
Capital Funds	Updates due to reorganization of funds, Bond fund updates to recognize sale of 21 st and Jefferson, REET contribution to Readiness Site	\$20.35 M

2017-2018
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BIENNIAL
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Enterprise Funds

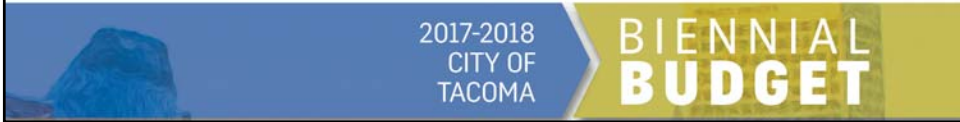
Fund	Description	Amount
Permit Services	Expanded land use notification costs, consulting services, personnel enhancements	\$1.13 M
Parking	Updated transfer to Convention Center for work as part of the wall repair project to support the convention center hotel	\$325 k
Convention Center	Recognize transfer from Parking for wall repair, use of cash to fund window washing and contractual services	\$405 k
Tacoma Dome	Event related expenses, personnel enhancements, chiller pipe repair	\$1.27 M
Solid Waste	Personnel, disposal contract increase, taxes	\$1.19 M
Wastewater	Recognition of transfer from Sewer Bond, personnel, pre-treatment database, taxes	\$6.25 M
Surface Water	Sewer Bond transfer and miscellaneous adjustments	\$6.79 M

2017-2018
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BIENNIAL
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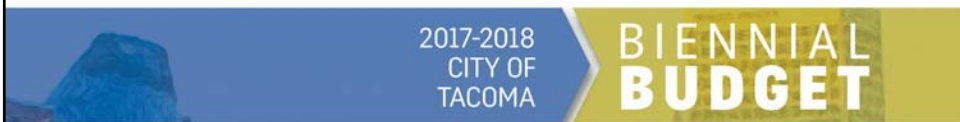
Capital Adjustments

- Capital Budget
 - Projects previously mentioned
 - South 19th Street: Union to Mullen
 - Miscellaneous Capital Projects
- Capital Facilities Program
 - Readiness Site



Important Dates

Date	Item
Nov. 28	Public Hearing on Mid-Biennial Modification, Capital Budget, & CFP Amendment Mid-Biennial Modification Ordinance 1 st Reading
Dec. 5	Tacoma Police Department Hiring Update Mid-Biennial Modification Ordinance 2 nd Reading Capital Budget & CFP Amendment 1 st Reading
Dec. 12	Capital Budget & CFP Amendment 2 nd Reading





Mid-Biennial Modification

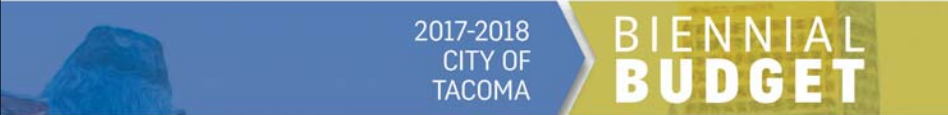
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General Fund Revenue Projection

(Millions)

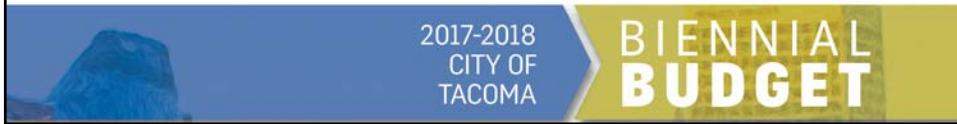
Revenue Source	2017-2018 Budget	2017-2018 Projection	Change	Change (%)
Property Tax	\$115.96	\$116.58	\$0.62	0.5%
Sales Tax	\$105.81	\$107.83	\$2.02	1.9%
Business Tax	\$94.63	\$96.56	\$1.93	2.0%
Utility Tax	\$86.30	\$89.52	\$3.22	3.7%
Other Revenue	\$47.57	\$53.60	\$6.02	13.0%
Total	\$450.27	\$464.09	\$13.81	3.1%



General Fund Expenditure Savings

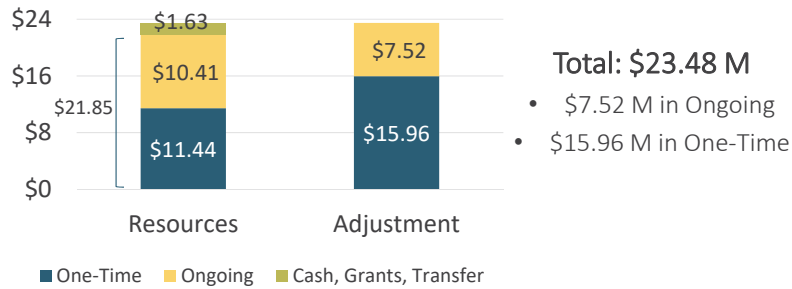
(Millions)

Department	2017-2018 Projected Savings
Police (Fuel, Vacancies, South Sound 911)	\$1.82
Neighborhood & Community Services (Contractual and Program Savings)	\$1.08
Non-Departmental (Jail, Pension, and Transfer Savings)	\$3.36
Other Departments (Labor and Rent)	\$1.78
Total	\$8.04

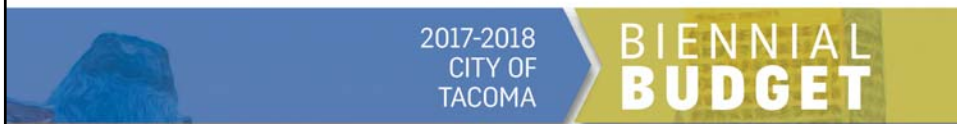


Summary of General Fund Adjustments

(Millions)

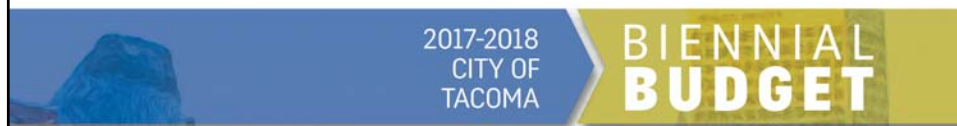


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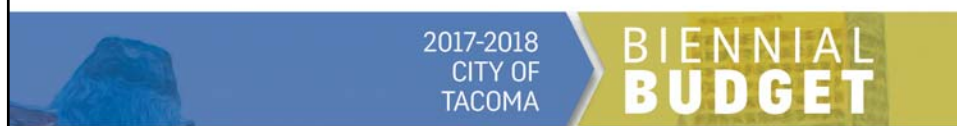
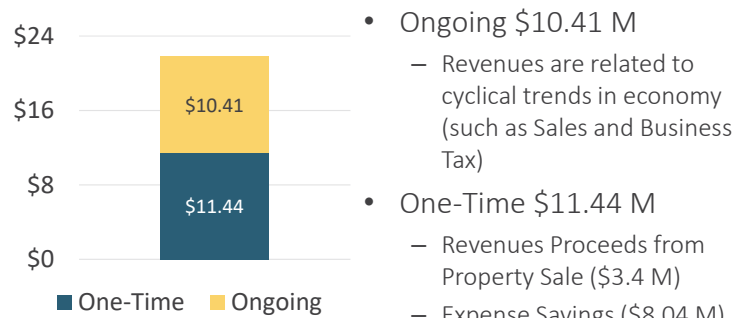


Other Items

- TOOL Center (\$120 k)
- Safe Streets (\$125 k)
- Sustainability Small Grants (\$25 k)
- Third Party Liability Fund Contribution (\$1.0 M)

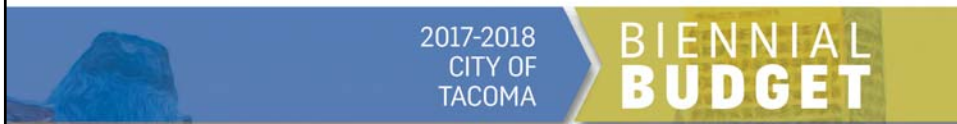


General Fund Expense and Revenue Updates (\$21.85 M)



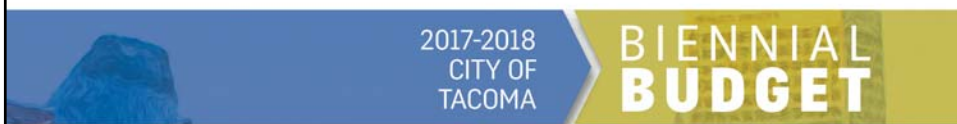
Infrastructure - Tacoma Dome

Original Capital Project Scope		Updated Capital Project Scope	
Seating, Dressing and Production Security, Loading Docks, Design Costs, Restrooms, Exterior, Administrative Offices		Adds HVAC Adds Light and Sound Removes Administrative Offices	
Total Cost:	\$23.1 M	Total Cost:	\$30.7 M
Original Capital Project Funding		Updated Capital Project Funding	
Real Estate Excise Tax	\$450 k	Real Estate Excise Tax	\$450 k
Tacoma Dome Fund	\$850 k	Tacoma Dome Fund	\$1.2 M
General Fund	\$450 k	General Fund	\$4.35 M
Bond	\$21.3 M	Bond	\$24.7 M
Total Cost:	\$23.1 M	Total Cost:	\$30.7 M



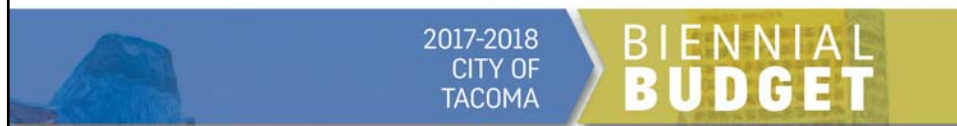
Outstanding Commitments & Considerations

Commitments	2019-2020
Broadway Center for Performing Arts Capital	\$2.50 M
Sound Transit Link	Up to \$1.50 M
Fire Station 5 (Net of PSE Contributions and Projected Tax Revenues)	\$0.84 M
Body Cameras/Public Disclosure Support	\$1.83 M
Emergency Medical Services Fund	\$4.00 M
Total	\$10.67 M
Deferred Fleet and Facilities	2019-2020
Fleet Replacements	\$12.50 M
Facility and Other Asset Deferred Maintenance	\$23.60 M
Total with Fleet and Facilities	\$46.77 M

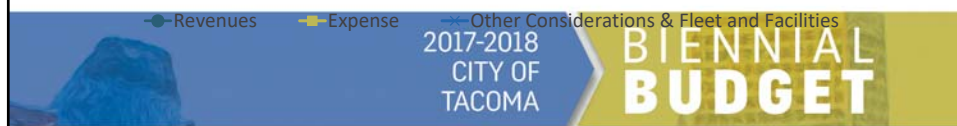
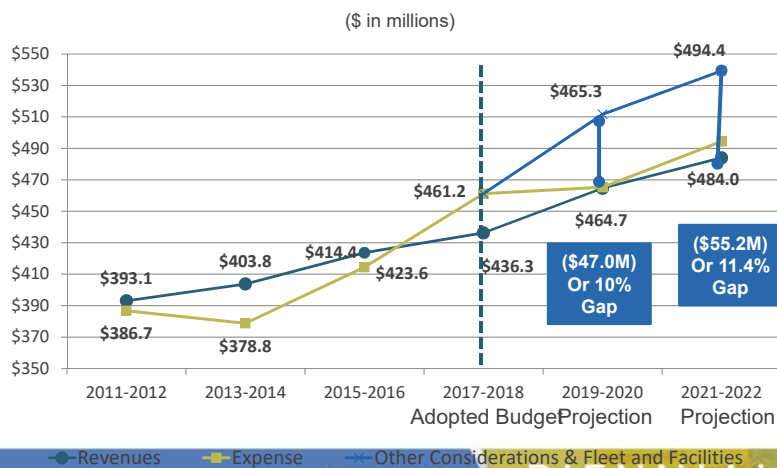


Other Outstanding Considerations

- Broadway LID Closeout
- South Tacoma LID
- Click!
- Third Party Liability Fund
- Permitting Fee Study
- Immigrant Defense Fund
- Affordable Housing Strategies
- Tacoma Police Department Staffing

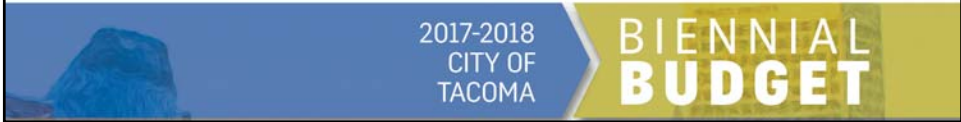


General Fund Forecast Update

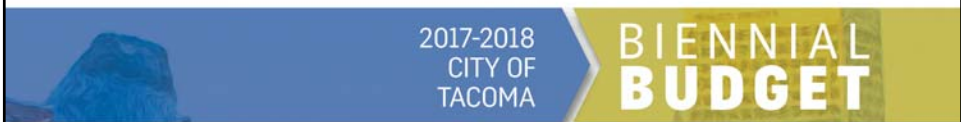
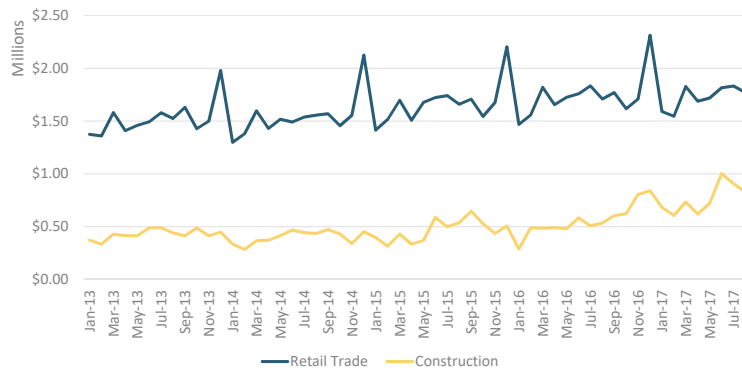


2017-2018 Modification Budget

2017-2018 Modification Budget	
Beginning Balance (A)	\$68.92
Revenue (B)	\$464.09
Expense (C)	\$486.98
Projected Ending Balance (A+B-C=)	\$46.03
Percentage of Annual Expenses	18.9%

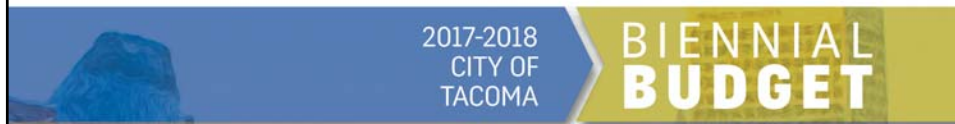


Sales Tax Revenues



Homelessness (\$ in Millions)

Recommendation	General Fund	Mental Health	REET	CDBG	Total	From Oct Study Session
Continue Stabilization Site and Enforcement	\$2.3	\$1.1	\$0	\$0	\$3.4	\$3.4
Expand Stabilization Capacity	\$0.5	\$0.1	\$0	\$0	\$0.6	\$0.6
Establish Readiness Site	\$1.6	\$0	\$1.00	\$0.4	\$3.0	\$1.9-2.9
Total	\$4.4	\$1.2	\$1.00	\$0.4	\$7.0	\$5.9-6.9



Combined Costs

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 Cost
Recommendation #1 & #2 - Continue Stabilization Site and Enforcement												\$3.4 M
Recommendation #3 – Expand Stabilization Capacity												\$0.6 M
Recommendation #4 – Establish Readiness Site												\$1.9 M - \$2.9 M
Recommendation #5 – Ongoing Regional Collaboration												TBD

Estimated Cost: \$5.9 - \$6.9 M

