



SUBSTITUTE ORDINANCE NO. 29002

1 AN ORDINANCE relating to the Biennial Operating Budget; adopting the
2 2025-2026 Biennial Operating Budget of the City of Tacoma.

3 WHEREAS the City Council desires to adopt the proposed 2025-2026
4 Biennial Operating Budget, and

5 WHEREAS on October 1, 2024, the City Manager presented to the City
6 Council the 2025-2026 Proposed Biennial Operating Budget (“Budget”), and
7 staff hosted a series of engagement sessions, work sessions, and tools to
8 receive feedback from the community, and

9 WHEREAS in October, 2024, the Office of Management and Budget
10 launched an interactive budgeting tool, called Balancing Act, for community
11 members to submit feedback on redirecting General Fund resources between
12 programs in the Budget, and

13 WHEREAS in October and November, 2024, two virtual Budget Workshops
14 were held where staff gave a brief presentation on the Budget, as well as the use
15 of Balancing Act, and attendees were given opportunities to provide their thoughts
16 and ask questions, and

17 WHEREAS to further inform both the City Council and the public, four
18 Budget work sessions were held between October 8 and October 29, 2024,
19 which provided more detailed information on the Budget as it relates to the City
20 Council priorities of Community Safety, Human and Environmental Health,
21 Housing and Homelessness, Access, Livable Wage Jobs, and Operational
22 Effectiveness and Culture, and
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WHEREAS two public hearings were held on October 29 and November 19, 2024, and

WHEREAS by motions at its Special Meeting on November 20, 2024, the City Council directed the City Manager to make certain adjustments to the proposed 2025-2026 Biennial Operating Budget as budget provisos and the City Manager recommends further adjustments, and

WHEREAS by motion at its Regular Meeting on December 3, 2024, the City Council directed the City Manager to make additional adjustments to reduce expenditures in the General Fund category, and

WHEREAS by motion at its Regular Meeting on December 10, 2024, the City Council directed the City Manager to adjust the fund balance above reserves and to allocate additional one-time appropriations to the Fire Department, and

WHEREAS all of the adjustments to the 2025-2026 Proposed Biennial Operating Budget are more particularly described in Exhibit "B," and are incorporated into the 2025-2026 Biennial Operating Budget, and

WHEREAS budgets, estimates, notices of hearings, hearings, and adoption of the Budget are processed and accomplished in accordance with the requirements of RCW 35.34; Now, Therefore,



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BE IT ORDAINED BY THE CITY OF TACOMA:

That the Biennial Operating Budget of the City of Tacoma for 2025-2026, and each and every item thereof, as fixed, determined, and set out in Exhibits "A," which provides the appropriations that are equal to the estimated revenues by fund and total budget as reflected in the Amended Budget column, and "B," which provides certain adjustments and budget provisos, which attachments are attached hereto and incorporated herein, is hereby adopted as the Biennial Operating Budget of the City of Tacoma for 2025-2026.

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney

EXHIBIT A

**City of Tacoma, Washington
2025-2026 Biennial Operating Budget
Contracts, Transfers, other Obligations**

Fund No.	Fund Name	Proposed Budget	Adjustments	Amended Budget
0010	General Fund	641,224,433	(6,400,000)	634,824,433
Special Revenue Funds				
1020	Courts Special Revenue	146,508	451,519	598,027
1030	Contingency Fund	585,301	52,500	637,801
1050	PWS Transportation Revenues	11,273,226		11,273,226
1065	PW Street Fund (Street Ops, Eng, Transp)	70,660,156		70,660,156
1085	Voted Streets Initiative	52,982,106		52,982,106
1090	TFD Special Revenue	1,887,093		1,887,093
1100	PWF Property Management	2,227,141		2,227,141
1110	Local Improvement Guaranty	97,309		97,309
1145	PWB Building & Land Use Services	950,376		950,376
1155	TFD EMS Special Revenue	102,165,742		102,165,742
1180	PAF Tourism & Conventions	9,630,883		9,630,883
1185	NCS Special Revenue	40,404,877		40,404,877
1195	CED Economic Development Grants	47,830,680	4,047,000	51,877,680
1200	Library Special Revenue	1,334,668		1,334,668
1236	CED Small Business Enterprise	987,435		987,435
1267	TPD Special Revenue	2,718,551		2,718,551
1431	CMO Municipal Cable TV	1,604,928		1,604,928
1500	CED Local Employment Apprenticeship Program	1,154,050		1,154,050
1650	Traffic Enforcement, Engineering & Education	7,708,143		7,708,143
1700	American Rescue Plan	-		-
	Total Special Revenue Funds	356,349,173	4,551,019	360,900,192
Debt Service Funds				
2035	LTD GO Bonds 1997 A & B	1,552,428		1,552,428
2038	Public Works Trust Fund Loan	-		-
2040	LTGO 2009 Series A-F Bond Redemption	13,637,670		13,637,670
2041	2010 LTGO Bonds Series 2010B - 2010E	5,794,213		5,794,213
2043	LTGO Bond Issuances	4,448,623		4,448,623
	Total Debt Service Funds	25,432,934	-	25,432,934
Capital Project Funds				
3210	Real Estate Excise Tax	24,133,984	1,000,000	25,133,984
	Total Capital Project Funds	24,133,984	1,000,000	25,133,984

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Fund No.	Fund Name	Proposed Budget	Adjustments	Amended Budget
Enterprise Funds				
4110	Permit Services Fund	57,223,869		57,223,869
4120	PW Tacoma Rail Mountain Division	1,433,515		1,433,515
4140	PWE Parking Operating	12,016,996		12,016,996
4165	Convention Center	26,635,015		26,635,015
4170	Cheney Stadium	5,539,199		5,539,199
4180	Tacoma Dome	31,820,990		31,820,990
4190	Performing Arts	3,732,959		3,732,959
4200	Solid Waste	212,511,796		212,511,796
4300	Wastewater	292,738,362		292,738,362
4301	Surface Water	136,609,109		136,609,109
4450	Union Station	11,140		11,140
4500	Tacoma Rail	80,487,083		80,487,083
4600	Water Utility	342,808,318		342,808,318
4700	Power	1,333,562,686		1,333,562,686
4800	TPU Self Insurance Claims	5,653,200		5,653,200
4805	Low Income Assistance	10,000,000		10,000,000
	Total Enterprise Funds	2,552,784,237	-	2,552,784,237
Internal Service Funds				
5050	TPU Fleet Service	13,326,245		13,326,245
5086	Tacoma Training & Employment Program	1,165,578		1,165,578
5400	PW Fleet Equipment Rental	30,344,632		30,344,632
5453	PWS Asphalt Plant	3,633,909		3,633,909
5540	Comms Equipment - Replacement Reserve	5,957,312		5,957,312
5550	Third Party Liability Claims	30,337,399		30,337,399
5560	Unemployment Compensation	1,338,085		1,338,085
5570	Worker's Compensation	14,639,164		14,639,164
5700	Municipal Building Acquisition & Oper	19,953,055		19,953,055
5800	General Governmental Internal Services	218,099,742		218,099,742
	Total Internal Service Funds	338,795,121	-	338,795,121
Trust & Agency Funds				
6050	Deferred Compensation Trust	615,576		615,576
6100	Employees Retirement	502,968,458		502,968,458
6120	Relief & Pension Police	10,186,951		10,186,951
6150	Relief & Pension Firefighters	11,983,815		11,983,815
6430	Health Care Trust Labor Management	207,385,440		207,385,440
6440	Group Life Trust	2,108,727		2,108,727
6460	Dental Care Labor Management	14,037,214		14,037,214
6470	Health Care Trust Firefighters	7,510,000		7,510,000
6480	Health Care Trust Police	7,378,000		7,378,000
6795	Public Facilities Districts	12,414,002		12,414,002
	Total Trust & Agency Funds	776,588,183	-	776,588,183
Total City of Tacoma Operating Budget		4,715,308,065	(848,981)	4,714,459,084

EXHIBIT B

**City of Tacoma, Washington
2025-2026 Biennial Operating Budget
Contracts, Transfers, other Obligations**

Narrative Explanation for the Budget Adjustments and City Council Budget Proviso

Authorize an Increase or Redirection or Revenues and Expenditures for 2025-2026 Appropriations:

Fund No.	Fund Name	Narrative Description	Adjustment Amount
0010	General Fund		
Revenue			
	Reduce Use of Fund Balance Above Reserves		6,400,000
Expense			
	Business Safety and Resilience Program	Staff will charge \$250,000 of administrative costs for the Community and Economic Development to a grant awarded by the Washington State Department of Commerce. (City Council Budget Proviso)	-250,000
		The General Fund savings will then be reallocated to the Business Safety and Resilience Program in Community and Economic Development Department General Fund Budget. (City Council Budget Proviso)	250,000
		Net	0
	Summer Late Nights	Dedicate \$150,000 of the Neighborhood and Community Service's BRAYVE budget to the Summer Late Nights Program. (City Council Budget Proviso)	No Appropriation Change
	Identified Reductions	The reductions include a \$318,000 reduction to the Tacoma Public Library and other reductions will be allocated to departmental budgets in 2025.	-5,600,000
	Removal of Vacancy Assumption		1,400,000
	Additional Reductions		-4,700,000
	Additional One-Time Fire Department Personnel Funding		2,500,000
1020	Municipal Court Special Revenue		
Revenue			
	Grant Revenues		-451,519
Expense			
	Therapeutic Court Program	Recognize the expenses of an existing grant awarded for the Therapeutic Court Program.	451,519

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Fund No.	Fund Name	Narrative Description	Adjustment Amount
1030	Contingency Fund		
Revenue			
	Beginning Cash Balance		-52,500
Expense <i>The first two amendments listed below dedicate appropriation authority to the specified projects. While the second two require increased appropriation for the 2025-2026 budget.</i>			
	Grand Cinema Capital Campaign	Dedicate \$50,000 of the 2025-2026 Budget for Council Contingency to the Grand Cinema Capital Campaign for improvements to the Merlino Building. (City Council Budget Proviso)	No Appropriation Change
	Rebuilding Hope Capital Campaign	Dedicate \$25,000 of the 2025-2026 Budget for Council Contingency for the Rebuilding Hope Capital Campaign. (City Council Budget Proviso)	No Appropriation Change
	Oasis Center	Dedicate \$10,000 of savings from prior biennium Council Contingency to the Oasis Center for maintaining services. (City Council Budget Proviso)	10,000
	Downtown Business Retail Advocate	Dedicate \$42,500 of savings from prior biennium Council Contingency to support the Downtown Business Retail Advocate program. (City Council Budget Proviso)	42,500
1185	NCS Special Revenue		
Expense			
	Anti-Graffiti Program	Dedicate \$25,000 from the Tidy Up Public and Private Graffiti program to additional anti-graffiti and public art. (City Council Budget Proviso)	No Appropriation Change

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Fund No.	Fund Name	Narrative Description	Adjustment Amount
1195	CED Economic Development Grants		
Revenue			
	Beginning Cash (UDAG)		-47,000
	Washington State Department of Commerce Community Reinvestment Plan Grant Revenue		-4,000,000
Expense			
	Seaport Museum Commercial Pump-Out Loan	Provide \$47,000 in loan funds from the UDAG program to aid in the Seaport Museum's commercial pump-out station. (City Council Budget Proviso)	47,000
	Washington Department of Commerce Community Reinvestment Plan Grant	Recognize the expenses of a grant awarded by the Washington State Department of Commerce.	4,000,000
3210	Real Estate Excise Tax		
Revenue			
	Beginning Cash		-1,000,000
Expense			
	Transfer to Capital Improvement Plan	Transfer funds for the Downtown Skate Park project, selected through the District 2 Participatory Budgeting process. (City Council Budget Proviso)	1,000,000