

GPFC Budget Brief

April 18th

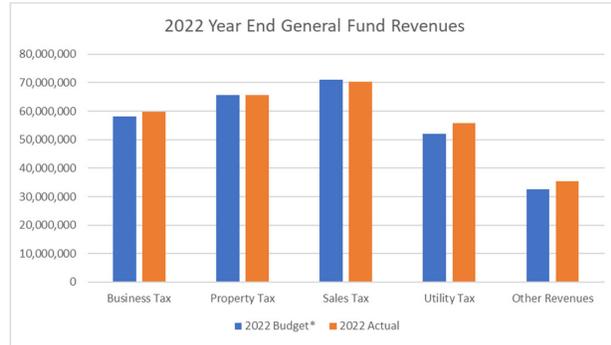


Agenda

- 2022 Year End Revenues
- 2023 Quarter 1 Revenues
- REET
- Future Outlook

2022 General Fund Revenue

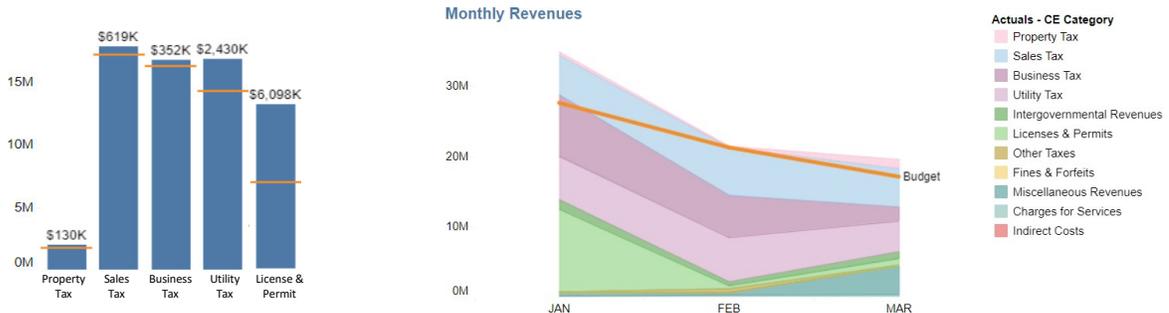
Revenue Source	Variance	Variance %
Property Tax	-\$0.03M	-0.04%
Sales Tax	-\$0.8M	-1.1%
Business Tax	+\$1.7M	2.9%
Utility Tax	+\$3.7M	7.1%
Other Revenue	+\$2.7M	8.4%
Total	+\$7.27M	17.3%



\$3.7M in Power Wholesaling Revenues – One-time
 \$1.8M in Other Revenues – One-Time transfer from closing a fund

2023-2024 CITY OF TACOMA
BIENNIAL
 OPERATING & CAPITAL
BUDGET

2023 Quarter 1 General Fund Major Revenue Categories



- Property Tax, Sales Tax, Business Tax, and Other Revenues all right on track with projections
- Utility Tax is up due to Power Wholesaling trends that are not projected to continue (related to high natural gas prices)
- Licenses and Permits is higher than anticipated, as collection efforts progress over the next several months staff can get a better idea of account adjustments. The billing process occurs once a year.

2023-2024 CITY OF TACOMA
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REET 1 & 2

2017-2020	2021	2022	Quarter 1 2023
Range from	Actuals of	Budget: \$16.2 M	Budget: \$3.1 M
\$8.8 M to \$11.3M	\$17.6 M	Actuals \$14.9 M	Actuals: \$1.9 M
		Variance: -\$1.3 M	Variance: -\$1.2 M

Given uncertainty in Real Estate market, staff planned for healthy reserve balances in both sub-funds (over one-year of expenses). Therefore, staff does not recommend modifying capital plans at this time.

Future Outlook Trends we're monitoring

- Real Estate market
- Construction trends
- Continued interest rate increases
- Low unemployment and continued growth in jobs
- Labor costs
- Continued inflationary pressures (especially on capital costs)

"For the first time since 2020, more respondents expect falling rather than increased employment at their firms in the next three months. Fewer respondents than in recent years expect their firms' capital spending to increase in the same period." - National Association for Business Economics, January 2023

"Economic output and employment are continuing to grow at a solid pace while inflation remains much too high," Waller said, noting that investors should not expect rates to fall any time soon. "Monetary policy will need to remain tight for a substantial period of time, and longer than markets anticipate." – Christopher Waller, Federal Reserve Board Governor

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Government Performance and Finance Committee			
Committee Members: Hines (Chair), Bushnell (Vice Chair), Rumbaugh, and Walker Alternate - Daniels		1st and 3rd Tuesdays 10am Room 248	CBC Assignments: •Public Utility Board •Board of Ethics •Audit Advisory Board •Civil Service Board
Executive Liaison: Andy Cherullo; Coordinator - Joe Franco			
	Topic	Presenter	Description
May 2, 2023	Review of Letters of Interest for "For" and "Against" Committees for the Tacoma Fire Levy Lid Lift	Debra Casparian, Deputy City Attorney, City Attorney's Office	GPFC will review letters of interest and make recommendations for the "for" and "against" committees.
	Sprint Telecommunications Franchise Agreement	Jeff Lueders, Interim Director, Media and Communications Office	This presentation will provide an overview of a Renewal of a 10 year Telecommunications Franchise Agreement between Sprint and the City of Tacoma.
	SAP Now!	Daniel Key, Director, Information Technology	Overview and roadmap of the SAP Now! program to modernize the City's enterprise resource planning (ERP) software platform and integrated systems.
May 16, 2023	Interviews for the Public Utility Board	Doris Sorum, City Clerk	
	Monthly Budget Update	Reid Bennion, Lead Budget Analyst, OMB	Monthly budget update and/or briefing on budget related items of interest.
	Overview of Tacoma Water 2023 Refunding Bonds	Jodi Collins, Assistant Water Division Manager; Lyna Vo, Senior Utilities Economist	Tacoma Water will provide an overview of the utility's proposed financing plans.
June 6, 2023	Audit Advisory Board Quarterly Meeting	Susan Calderon, Assistant Finance Director/Controller	Informational briefing on audit related matters.
	Board of Ethics Interviews	Doris Sorum, City Clerk	
	Fiscal Sustainability Overview	Kathryn Johnston, Budget Officer, OMB; Andy Cherullo, Director, Finance	
	ADU Accelerator Phase 2 - Site Planning Assistance	Carey Newton, Division Manager, Planning and Development Services	