



RESOLUTION NO. 39588

1 A RESOLUTION relating to finance and budget; amending the Budget and
2 Contingency Policies section of the Financial and Budget Policy Statement
of the City of Tacoma.

3 WHEREAS the Financial and Budget Policy Statement incorporates “best
4 practices” of budgeting, financial, and debt management; comprehensively
5 combines and updates key policies; and provides a framework for the biennial
6 budget, and
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8 WHEREAS the City last updated its Financial and Budget Policy Statement
9 in November 2016 to amend the Capital Planning policies, and
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11 WHEREAS, at the November 15, 2016, Council meeting, the City Council
12 passed a motion requesting an amendment that reflected a reduction in the
13 proposed appropriation for the Council Contingency Fund (“Fund”), and establishing
14 a reduced biennial appropriation amount of \$500,000 for future bienniums, and
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16 WHEREAS the proposed amendments will revise the policies that govern
17 the Fund by eliminating the reserve requirement and by establishing a biennial
18 appropriation of \$500,000 at the beginning of each biennium, and
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20 WHEREAS unspent funds committed by the City Council via resolution in
previous bienniums may be eligible for reappropriation, and
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22 WHEREAS the proposed amendments reflect a City Council request to
23 redirect Council Contingency Funds to be used in support of recurring Public
24 Safety enhancements, and
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WHEREAS appropriations will continue to be subject to Ordinance
No. 22569, which requires an affirmative vote of not less than six members of the
City Council in order to withdraw moneys from this Fund; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the Budget and Contingency Policies section of the Financial and
Budget Policy Statement of the City of Tacoma is hereby amended as set forth in
the attached Exhibit "A."

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney



EXHIBIT "A"

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Budget and Contingency Policies

To ensure that financial stability is maintained, a budget showing that revenues and other financing resources meet or exceed expenditures/expenses will be prepared and adopted by the City Council. A fiscally sound budget will include the following:

- An adopted budget that will fund recurring operating expenditures/expenses with recurring operating revenues.
- The Contingency Fund will be funded with new appropriation at the beginning of each biennium in an amount not to exceed ~~\$3 million but not less than \$1 million.~~ \$500,000. Unspent funds committed by City Council via resolution in previous bienniums may be eligible for reappropriation.
- General Fund revenue and expenditure forecasts will include 2 biennia beyond the proposed budget period for a total of a six year forecast. The projection will provide insight into whether the current mix and level of resources are likely to continue to be sufficient to cover current service levels and to provide for long-term strategic planning.
- The City-operated utilities should show positive net operating results.