



TO: T.C. Broadnax, City Manager
FROM: Tadd Wille, Budget Officer
Andrew Cherullo, Finance Director
COPY: City Council and City Clerk
SUBJECT: Ordinance - 2015-2016 Biennial Budget Adoption – December 2, 2014
DATE: November 12, 2014

SUMMARY:

Approving the City of Tacoma’s 2015-2016 Biennial Budget and Authorizing the Use of Council Contingency Funding

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.

BACKGROUND:

On October 7, 2014, the City Manager presented to the City Council the 2015-2016 Proposed Operating and Capital Budgets. Following this event, the Budget Calendar included three budget meetings out in the community and two Budget Public Hearings held in City Council Chambers. These events allowed Tacoma residents the opportunity to voice their opinions about the 2015-2016 Proposed Budget.

Finally, seven Budget work sessions were held with City Council between October 14th and December 2, 2014. These work sessions presented to City Council detailed information about the proposals addressing City Council-identified service delivery priorities included within the 2015-2016 Proposed Budget. Work sessions regarding specific City services included Environmental Services, Tacoma Public Utilities, Police, Fire, Library, Neighborhood and Community Services, Community & Economic Development, Planning and Development Services, Public Assembly Facilities, Public Works, Capital Budget, Information Technology, Municipal Court, and Other Services.

Budget estimates, proposed budget, notices of hearing(s), hearing(s) and adoption of the Biennial Budget are processed and accomplished in accordance with the requirements of RCW 35.34.

The 2015-2016 Budget includes a fee/rate adjustment for water hydrants which must be approved and passed by both the Public Utility Board and City Council, resulting in savings to the General Fund. If the proposed fee/rate adjustment is not approved, the General Fund will experience a \$2.2 million increase in expenses without a corresponding increase in revenues.

The 2015-2016 Budget includes funding for non-represented classifications identified as below the market with no compression issues to receive the balance of the determined 2015 market-based wage adjustment, up to a cap of 6 percent. Non-represented classifications identified as below the market with compression issues are funded to receive the balance of the determined 2015 market-based wage adjustment, up to a cap of 10 percent. Effective January 1, 2016, the Budget includes funding for all non-represented classifications to receive salary increases by an amount equal to 100% of the Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W, Seattle-Tacoma-Bremerton, measured from June 2014 to June 2015.



Finally, the 2015-2016 Budget authorizes the use of Council Contingency funds as follows: (1) \$90,000 for the Equity and Empowerment Capacity Building Pilot Program, which strengthens and builds the infrastructure of small non-profit organizations serving underrepresented or marginalized community members, (2) \$25,000 for the Center for Working Families-Financial Opportunity Center, which focuses on low-to-moderate income individuals and assists in changing financial behaviors and encourages long-term commitments towards the goal of increasing monthly net income, building credit, and acquiring assets, and (3) \$13,500 for the Eastside Farmer's Market, which helps provide good, wholesome foods that are readily available and affordable to Eastside residents and promotes the farmers market philosophy of caring for the environment, supporting farm to table, and educating about nutrition, for a total withdrawal of \$128,500.

ISSUE:

City Council will consider the 2015-2016 Biennial Operating and Capital Budgets for the City of Tacoma. Pursuant to RCW 35.34, the City of Tacoma must pass an ordinance that appropriates estimated expenditures and revenues/use of available funds for the biennium.

ALTERNATIVES:

Pursuant to RCW 35.34, the City of Tacoma must pass an ordinance that appropriates estimated expenditures and revenues/use of available funds for the biennium; therefore, no alternatives have been identified.

RECOMMENDATION:

Staff recommends that the City Council approve the ordinance to appropriate the estimated expenditures and revenues/use of available funds for the 2015-2016 biennium, as outlined in Exhibit "A."



FISCAL IMPACT:

The ordinance will set appropriation for all budgeted funds for 2015-2016, as outlined in Exhibit “A.”

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Multiple – See Exhibit “A”			
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Multiple – See Exhibit “A”			
TOTAL			

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? N/A

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

N/A