



TO: Elizabeth Pauli, City Manager
FROM: Kathryn Johnston, Budget Officer, Office of Management and Budget
Andy Cherullo, Director of Finance
COPY: City Council and City Clerk
SUBJECT: Ordinance - 2025-2026 Biennial Operating Budget Adoption – November 19, 2024
DATE: October 31, 2024

SUMMARY AND PURPOSE:

An Ordinance adopting the City’s 2025-2026 Biennial Operating Budget.

BACKGROUND:

On October 1, 2024, the City Manager presented to the City Council the 2025-2026 Proposed Operating Budget. In order to inform the community and receive feedback on the Proposed Budget, staff hosted a series of engagement sessions, worksessions, and tools to receive feedback.

In October 2024, the Office of Management and Budget launched an interactive budgeting tool, called Balancing Act, for community members to submit feedback on redirecting General Fund resources between programs in the Proposed Budget.

The Office of Management and Budget held two virtual Budget Workshops in October and November 2024. At the Workshops, staff gave a brief presentation on the Proposed Budget as well as the use of Balancing Act, and attendees were given opportunities to provide their thoughts and ask questions.

To inform City Council and the public further, four Budget worksessions were held between October 8 and October 29, 2024. These departmental worksessions provided more detailed information on the Proposed Budget as it relates to City Council priorities: Community Safety, Human and Environmental Health, Housing and Homelessness, Access, Livable Wage Jobs, and Operational Effectiveness and Culture. Each department presentation also highlighted their goals and financial state.

Two public hearings were held on October 29 and November 19, 2024.

Budgets, estimates, 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.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Community Engagement was included throughout the budget development process. This included a statistically significant and representative community survey, an interactive online budget-balancing tool, online events, and public hearings. The City Council priorities were set based on the



strategic priorities of Tacoma 2025 and input from community members. The 2025-2026 Proposed Budget is aligned with City Council priorities.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility

The City’s budget is one of the most basic and important ways that we demonstrate our commitment to the community. In the budget development process, and with this Proposed Budget, we are honoring City Council Resolution No. 40622, which directs staff to keep anti-racism as a top priority in budget development and to prioritize anti-racism in the planning of an economic recovery strategy. Staff did this through a program and services review performed by the Office of Equity and Human Rights, and through adoption of the City’s first Departmental Racial Equity Action Plans.

The Operating Budget helps advance many of the City’s goals in many different ways, as detailed in the worksessions.

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. Should voters support Proposition 1 on the November 5 General Election, this proposed budget will be amended. For more information, visit cityoftacoma.org/firelevy.

EVALUATION AND FOLLOW UP:

The Office of Management and Budget will continue to produce reports for budget versus actuals in the 2025-2026 biennium and provide quarterly updates to City Council.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends that the City Council approve the ordinance to appropriate the estimated expenditures and revenues/use of available funds for the Operating Budget for the 2025-2026 biennium, as outlined in Exhibit “A.”

FISCAL IMPACT:

This ordinance sets the spending authority by fund for the 2025-2026 Biennial Budget.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
Multiple – See Exhibit “A”			
TOTAL			

What Funding is being used to support the expense?

Multiple – see Exhibit “A”



Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

This Ordinance adopts expenditures and revenues for the next biennium.

Are there financial costs or other impacts of not implementing the legislation?

YES

Failing to adopt the 2025-2026 Biennial Budget will result in the City being out of compliance with RCW 35.34.

Will the legislation have an ongoing/recurring fiscal impact?

YES

See Exhibit "A"

Will the legislation change the City's FTE/personnel counts?

YES, PLEASE EXPLAIN BELOW

Personnel changes are outlined in the Online Proposed Budget Book.

ATTACHMENTS:

- Exhibit A
- Budget in Brief