



# Mid-Biennial Modification

Tadd Wille, Assistant City Manager  
Katie Johnston, Budget Manager  
City Council Study Session  
November 21, 2017

# Purpose of Modification

- State Law requires a mid-biennial review and modification before conclusion of first year of biennium
- Mid-Biennial Modification:
  - Aligns and updates revenue and expenditure budgets with updated financial information and trends
  - Adjusts for resolutions previously approved by City Council
  - Provides for budgetary corrections or adjustments
  - Adapts and responds to changes in needs
  - Incorporates a long-term view

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# BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

## General Fund Modification Summary

# General Fund Revenue Projection

(Millions)

Revenue Source	2017-2018 Budget	2017-2018 Projection	Change	Change (%)
Property Tax	\$115.96	\$116.58	\$0.62	0.5%
Sales Tax	\$105.81	\$107.83	\$2.02	1.9%
Business Tax	\$94.63	\$96.56	\$1.93	2.0%
Utility Tax	\$86.30	\$89.52	\$3.22	3.7%
Other Revenue	\$47.57	\$53.60	\$6.02	13.0%
<b>Total</b>	<b>\$450.27</b>	<b>\$464.09</b>	<b>\$13.81</b>	<b>3.1%</b>

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# General Fund Expenditure Savings

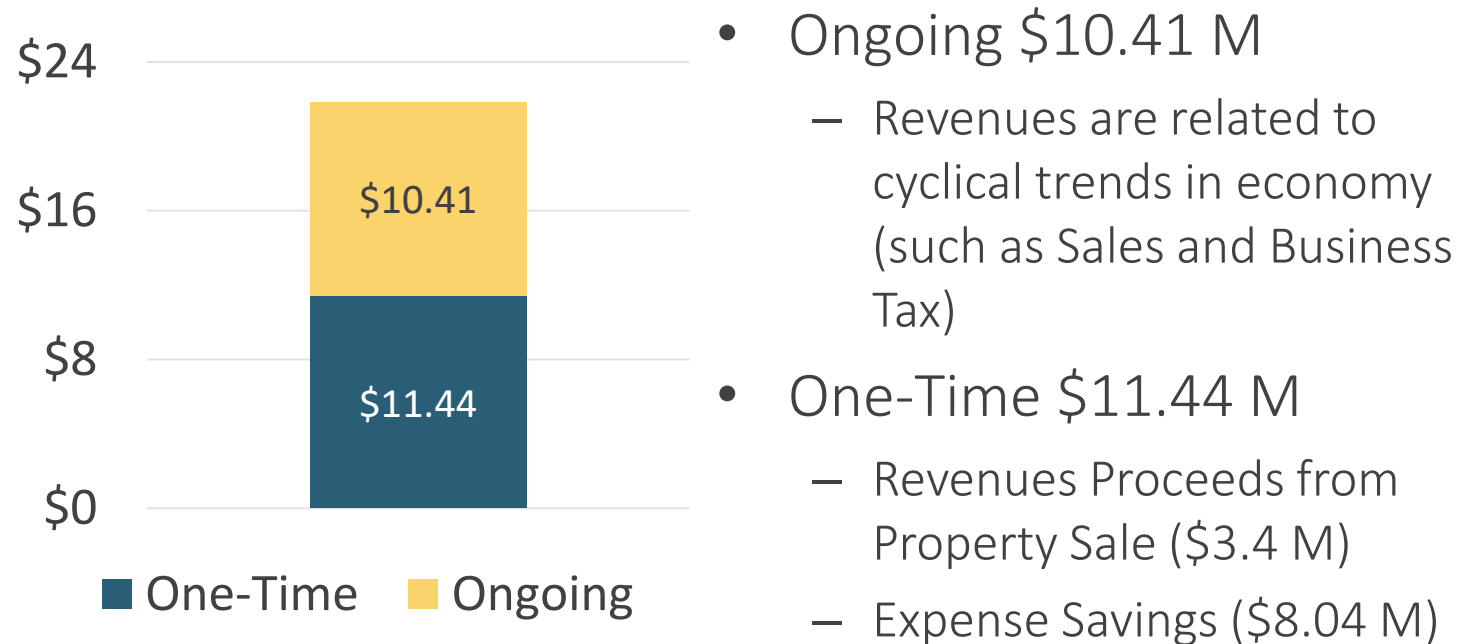
(Millions)

Department	2017-2018 Projected Savings
Police (Fuel, Vacancies, South Sound 911)	\$1.82
Neighborhood & Community Services (Contractual and Program Savings)	\$1.08
Non-Departmental (Jail, Pension, and Transfer Savings)	\$3.36
Other Departments (Labor and Rent)	\$1.78
<b>Total</b>	<b>\$8.04</b>

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# General Fund Updates (\$21.85 M)



# 2017-2018 City Council Priorities



- **Housing/Homelessness** – Address the length of time of homelessness and repeated incidents of homelessness and increase affordable housing



- **Safety** – Address safety concerns and improve community based approaches (outreach, positive relationships, communication)



- **Infrastructure** – Improve pedestrian and bike safety, energy efficiency, and street conditions



- **Economic Development** – Facilitate increases in private investment



# Homelessness

- Homelessness (\$6.55 M)
  - 2017 Emergency Response (\$3.36 M)
  - Stabilization Site (\$1.13 M)
  - Readiness Site (\$1.58 M)
  - Expanded Stabilization Services (\$480 k)
- HOT Team (\$1.15 M)
  - 2 FTEs in NCS (\$109 k)
  - 4 FTEs in Police (\$1.0 M)
  - Weekly Set Mission (\$40 k)





# Public Safety - Fire

- Fire Station 5 (\$2.24 M)
  - 12 FTE supported in part through SAFER Grant
- Recruit Class, Turnouts, Leave Payouts (\$1.6 M)



# Public Safety - Police



- HOT Team (\$1.0 M - 4 FTEs)
- Weekly Set Mission (\$40 k)
- Records Coordinator (\$96 k – 1 FTE)
- Enhanced Hiring Efforts (\$258 k)
  - Continuous Improvement Initiative Police Hiring Project
- Psychological Services (\$30 k)
- Computer and Mobile Phone Forensics (\$55 k)

# Infrastructure - Tacoma Dome

Original Capital Project Scope		Updated Capital Project Scope	
Seating, Dressing and Production Security, Loading Docks, Design Costs, Restrooms, Exterior, Administrative Offices		Adds HVAC Adds Light and Sound Removes Administrative Offices	
<b>Total Cost:</b>	<b>\$23.1 M</b>	<b>Total Cost:</b>	<b>\$30.7 M</b>
Original Capital Project Funding		Updated Capital Project Funding	
Real Estate Excise Tax	\$450 k	Real Estate Excise Tax	\$450 k
Tacoma Dome Fund	\$850 k	Tacoma Dome Fund	\$1.2 M
General Fund	\$450 k	General Fund	\$4.35 M
Bond	\$21.3 M	Bond	\$24.7 M
<b>Total Cost:</b>	<b>\$23.1 M</b>	<b>Total Cost:</b>	<b>\$30.7 M</b>

# Tacoma Dome

- Increased bond payment (\$430 k)
  - Paid in future years through ending debt service in 2019
- Additional Scope (\$3.40 M)



# Infrastructure

- Esplanade and Seawalls at Site 10 and 12 on Foss Waterway (\$1.91 M)
- 21<sup>st</sup> Street Safety Improvements (\$500 k)
- Fast Foot Ferry Feasibility Study (\$30 k)

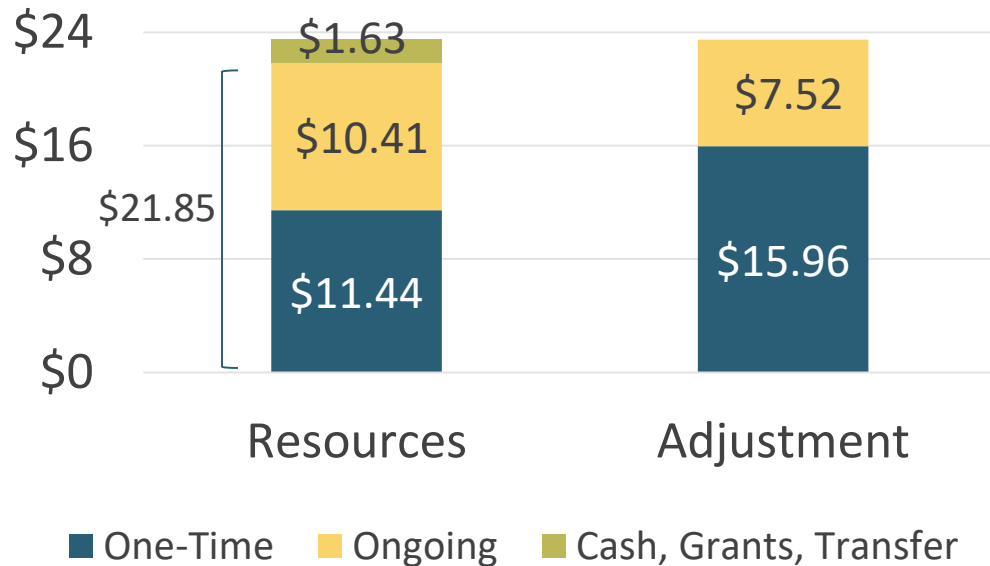
# Other Items

- TOOL Center (\$120 k)
- Safe Streets (\$125 k)
- Sustainability Small Grants (\$25 k)
- Third Party Liability Fund Contribution (\$1.0 M)



# Summary of General Fund Adjustments

(Millions)



**Total: \$23.48 M**

- \$7.52 M in Ongoing
- \$15.96 M in One-Time

Since the expenses are funded in part through expenditure savings of \$8.04 M, these adjustments result in an increase of \$15.44 M to the budget.



# Outstanding Commitments & Considerations

Commitments	2019-2020
Broadway Center for Performing Arts Capital	\$2.50 M
Sound Transit Link	Up to \$1.50 M
Fire Station 5 (Net of PSE Contributions and Projected Tax Revenues)	\$0.84 M
Body Cameras/Public Disclosure Support	\$1.83 M
Emergency Medical Services Fund	\$4.00 M
<b>Total</b>	<b>\$10.67 M</b>
Deferred Fleet and Facilities	2019-2020
Fleet Replacements	\$12.50 M
Facility and Other Asset Deferred Maintenance	\$23.60 M
<b>Total with Fleet and Facilities</b>	<b>\$46.77 M</b>

# Other Outstanding Considerations

- Broadway LID Closeout
- South Tacoma LID
- Click!
- Third Party Liability Fund
- Permitting Fee Study
- Immigrant Defense Fund
- Affordable Housing Strategies
- Tacoma Police Department Staffing

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# BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

## Other Fund Modification Summary

# Homelessness

- Stabilization Site (\$1.13 M)
  - Mental Health and Chemical Dependency Reallocation
- Enhanced Stabilization Site (\$100 K)
- Readiness Site (\$1.35 M)
  - Real Estate Excise Tax (\$1.0 M)
  - Community Development Block Grant (\$350 k)



# Public Safety

- Community Trauma Response (\$120 k)
  - Mental Health and Chemical Dependency Reallocation
- Fire Grant Expenses and Emergency Equipment Purchases (\$435 k)

# Infrastructure

- Engineering Support (2 FTE)
  - Street Initiative Funding and Grants
- Positions to Assist with Permitting Work (2 FTE)
  - General Fund and Permitting Revenues
- Safe Routes to Schools Coordinator (1 FTE)
  - General Fund and Grants
- Ground Maintenance and Street Maintenance Work (3 FTE)
  - Dedicated Gross Earning Tax





# Economic Development

- Permitting (\$1.13 M)
  - 5 FTEs – Dependent in part on fee restructuring to ensure sustainability
  - Increased Land Use Notification
  - Consultant services for backfill work and communication





# Environmental Policy and Sustainability

- Resource Conservation Manager (\$100 k)
  - Surface Water, Wastewater, Solid Waste
- EnviroChallenger (\$100 k)
  - Surface Water, Wastewater, Solid Waste



# Special Revenue and Capital Funds

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Fund	Description	Amount
Fire – Special Revenue	Recognition of SAFER Grants and Other Emergency Services Grants	\$1.63 M
Police - Special Revenue	Recognition of Federal Grants	\$560 k
CED – Special Revenue	Funding for Readiness Site, Property Purchases, Operating and Remediation Expenses related to Property Purchases, WSDOT Amtrak Display	\$2.12 M
Street Fund	Personnel Enhancements, Revenues and Damage Reimbursements, Portable Screen Shaker	\$653 k
Property Management	Adjustments to Property Management for Personnel Enhancements, and Steele Street Improvements	\$278 k
Capital Funds	Updates due to reorganization of funds, Bond fund updates to recognize sale of 21 <sup>st</sup> and Jefferson, REET contribution to Readiness Site	\$20.35 M

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# Enterprise Funds

Fund	Description	Amount
Permit Services	Expanded land use notification costs, consulting services, personnel enhancements	\$1.13 M
Parking	Updated transfer to Convention Center for work as part of the wall repair project to support the convention center hotel	\$325 k
Convention Center	Recognize transfer from Parking for wall repair, use of cash to fund window washing and contractual services	\$405 k
Tacoma Dome	Event related expenses, personnel enhancements, chiller pipe repair	\$1.27 M
Solid Waste	Personnel, disposal contract increase, taxes	\$1.19 M
Wastewater	Recognition of transfer from Sewer Bond, personnel, pre-treatment database, taxes	\$6.25 M
Surface Water	Sewer Bond transfer and miscellaneous adjustments	\$6.79 M

# Important Dates

Date	Item
Nov. 21	Study Session on Proposed Mid-Biennium Modifications Property Tax Levies 2 <sup>nd</sup> Reading
Nov. 28	Public Hearing on Mid-Biennial Modification & CFP Amendment Mid-Biennial Modification Ordinance 1 <sup>st</sup> Reading
Dec. 5	Tacoma Police Department Hiring Update Mid-Biennial Modification Ordinance 2 <sup>nd</sup> Reading CFP Amendment 1 <sup>st</sup> Reading
Dec. 12	CFP Amendment 2 <sup>nd</sup> Reading



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