

CITY OF TACOMA
**BIENNIAL
BUDGET**
2019 - 2020

CORE SERVICES
CONTINUOUS SUPPORT
CREDIBILITY

AGENDA

- General Fund Position
- Council Priorities & Facility Needs
- Revenue Considerations & Alternatives
- Bonding
- Process for Revenue Changes

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GENERAL FUND FORECAST – STRUCTURAL GAP

- Ongoing General Fund expenditures are growing at a faster rate than revenues

Average % Growth from 2020-2024	
Revenue	2.1%
Expense	3.2%

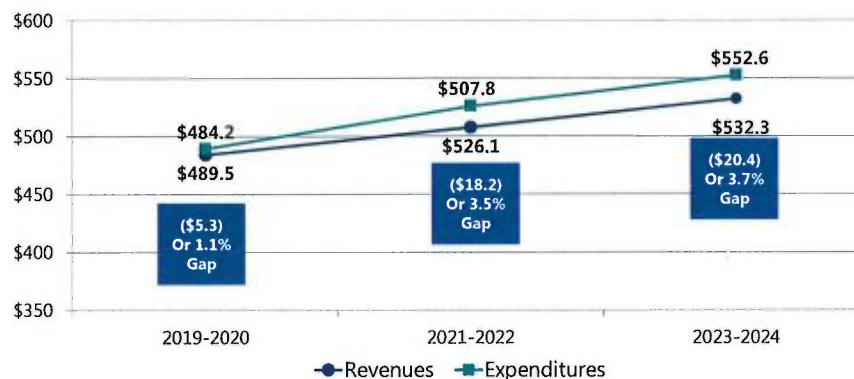
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CORE SERVICES
CONTINUOUS SUPPORT
CREDIBILITY

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GENERAL FUND FORECAST

(\$ in millions)



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Priority Areas



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FACILITY NEEDS

- Deferred Maintenance
 - Facilities Analysis – Deficiencies identified between \$45-55 M
 - Public safety, libraries, public works, operations, and transportation facilities
- Modern, Purpose Build Facilities
 - Develop community vision for services and facilities
 - Meet the needs of current and future residents
 - Review facilities plans of other local entities to capitalize on co-location

Vancouver Public Library



Previous Station



New Station

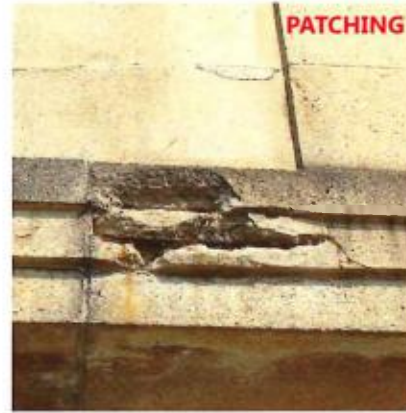


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HISTORIC TMB: EXTERIOR REFURBISHMENT



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GROUNDS MAINT.: EXTERIOR REFURBISHMENT



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HISTORIC FIRE ELECTRICAL MAINT. BLDG: EXTERIOR REFURBISHMENT



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LIBRARY: EXTERIOR REPAIRS, FERN HILL



MENG Analysis Facility Study March 2018

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LIBRARY: WINDOWS REPLACEMENT, SWASEY

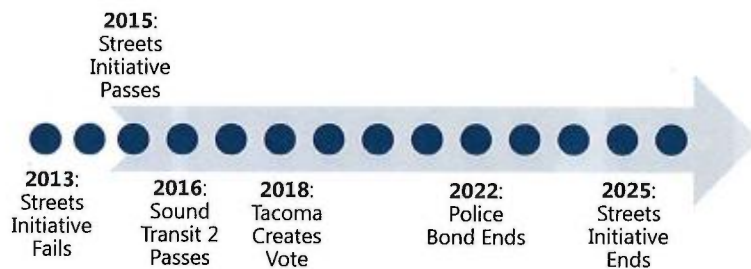


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CHALLENGES AND CONSIDERATIONS

- Equity vs. Equality
- Elected Support
- Timing
- Voter Fatigue
- Historical Votes
- Overall tax level and comparison to others
- Work Required to Develop Proposal



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BONDING

City Council Approved Authority (LTGO)

- Bond capacity limit of \$81 M
- Debt service: \$1 M annually for approximately \$12 M in Bonds
- Funded through existing revenues
- Policy decision on what percentage of General Fund supports debt

Voter Approved Authority (UTGO)

- Bond capacity limit of over \$336 million
- Debt service: same as LTGO
- Funded through increased property tax above levy limit
- Requires 60% voter approval

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REVENUE ALTERNATIVES

Proposed Uses	Revenue Source	Approval Authority	Annual Revenues
Affordable Housing	Sales Tax	Public Vote	Up to \$5 M (0.1%)
Affordable Housing	Property Tax – Levy	Public Vote	\$11 M (\$0.5 per \$1,000 AV)
Cultural Arts	Sales Tax	Public Vote	Up to \$5 M (0.1%)
Cultural Arts	Property Tax - Levy Lid Lift	Public Vote	\$5 M (\$0.21 per \$1,000 AV)
Public Safety- EMS	Property Tax - Levy Lid Lift	Public Vote	\$950 K (Vote in 2018)
Public Safety- EMS	Ambulance Fees	Council Action	Depends on Implementation
Streets	Local Option Motor Vehicle Fuel Tax	County Council and Public Vote	Up to \$1-3 M
Streets	Vehicle Fees	Transportation Benefit Districts (TBD) and Voters	\$6 M
Multiple Uses	Impact Fees	City Council or Transportation Benefit District (TBD)	Depends on Implementation
Multiple Uses	Fees: Permitting, Fire, Inspections, Public Works	City Council	Depends on Implementation

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REVENUE ALTERNATIVES

Proposed Uses	Revenue Source	Approval Authority	Annual Revenues
All Potential Uses	Gross Earnings Tax	Public Vote	\$3 M
All Potential Uses	Business and Occupations	City Council	\$9 M
All Potential Uses	Eliminate Gross Income Threshold	City Council	\$1.5 M
All Potential Uses	Eliminate New Jobs Credit	City Council	\$400 K
All Potential Uses	Admission Tax for Non-Profits	City Council	\$340 K
All Potential Uses	Business License Fees	City Council	\$1.1 M
All Potential Uses	Head Tax	City Council	Depends on Implementation
All Potential Uses	"Bullet" Tax	City Council	Depends on Implementation

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FEES

- Factors in determining fee rates
 - Cost of service
 - Demand/utilization of services
 - Benefit to individuals or community

Fire

- Considerations include the cost of service, over use of services that impact ability to respond to community calls for service

Permitting

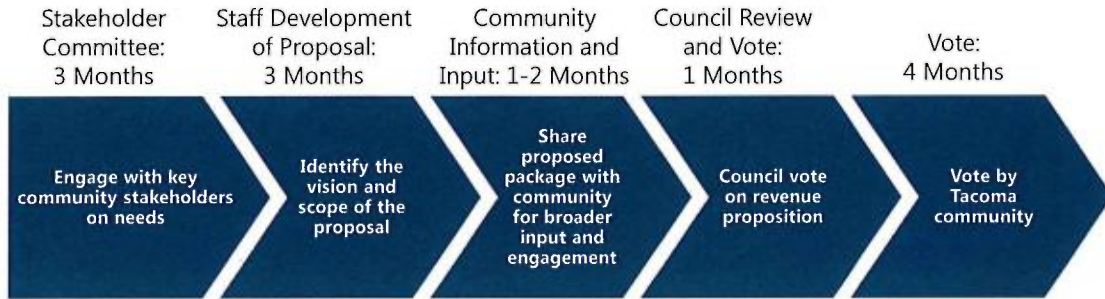
- Costs of providing service, increases over time, individual benefit vs. community

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PROCESS FOR VOTER APPROVAL



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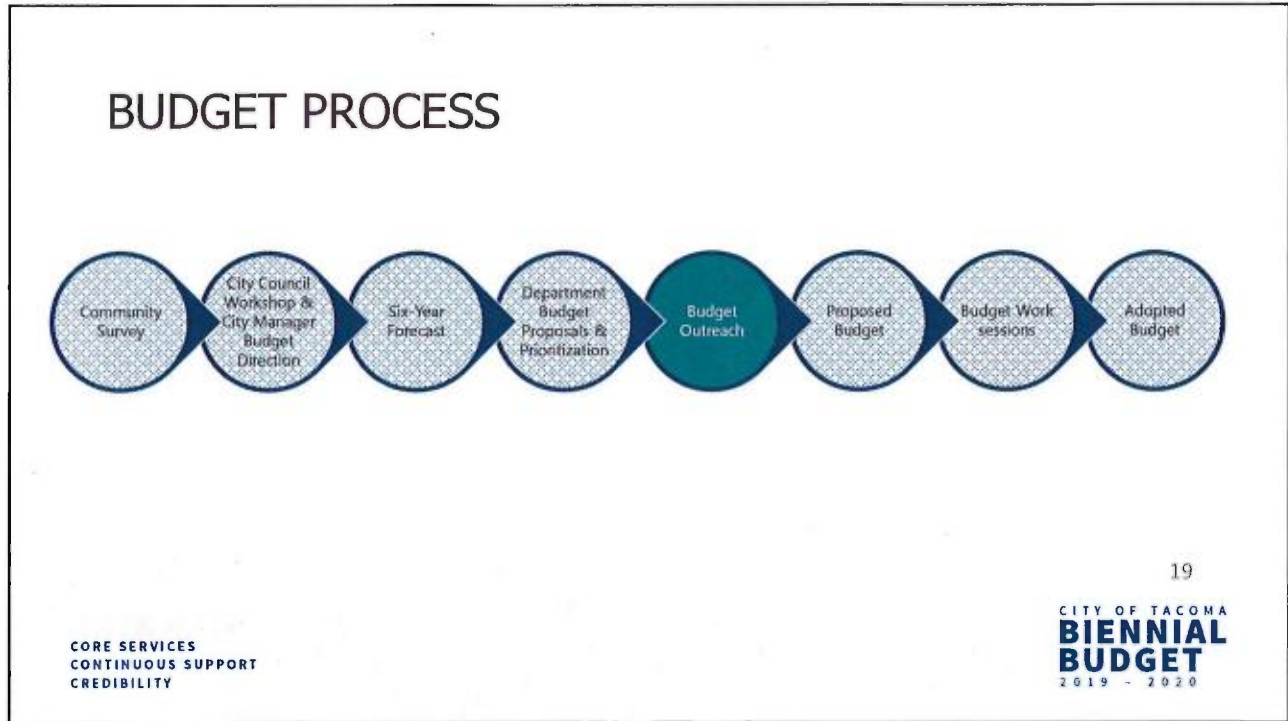
PROCESS FOR CITY COUNCIL APPROVAL (FEE)



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FINANCIAL FORECAST & REVENUES

Committee of the Whole – July 31, 2018

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