

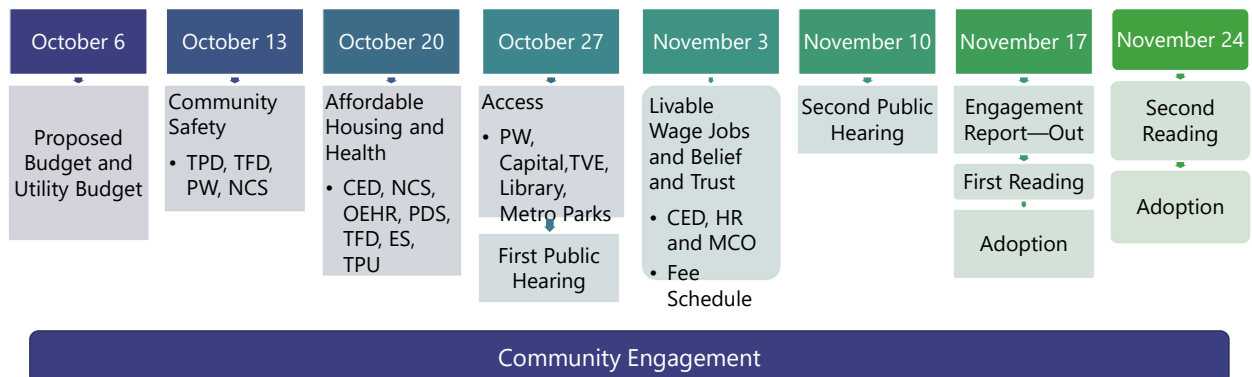
# PROPOSED BUDGET 2021-2022

City Manager's Office  
Office of Management and Budget  
October 6, 2020



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## BUDGET CALENDAR



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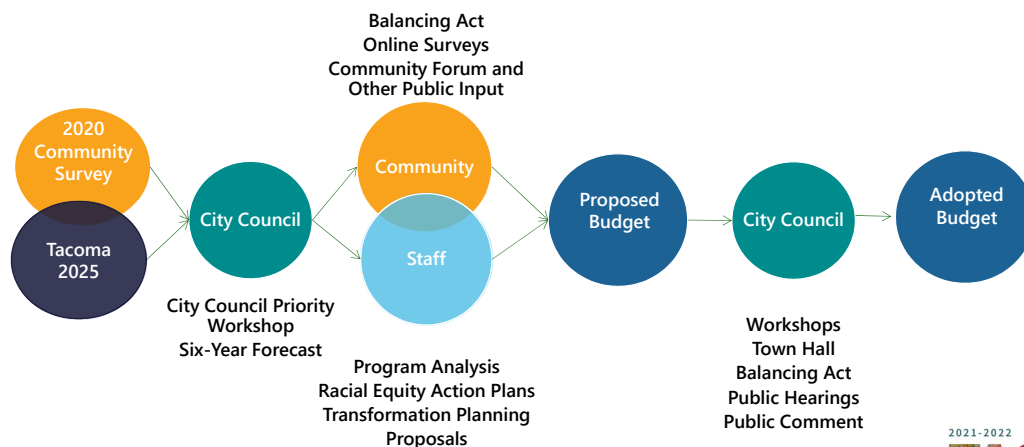
## AGENDA

- **Overview: Budget Development, Community Engagement, Principles, and Priorities**
- **Balanced and Sustainable Financials**
- **Proposed 2021-2022 Budget**
  - **Structure for Anti-Racist Transformation**
  - **Maintain Essential Services**
  - **Respond and Recover**
- **Next Steps**

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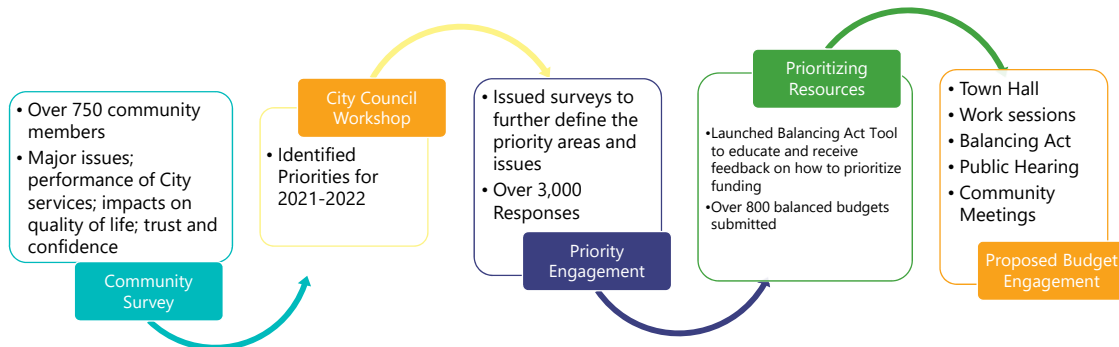
## BUDGET DEVELOPMENT PROCESS



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## COMMUNITY ENGAGEMENT PROCESS



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## BUDGET PRINCIPLES

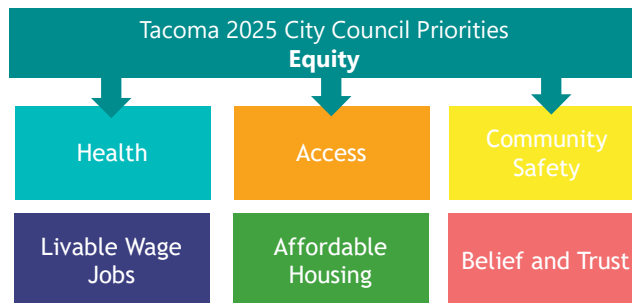


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# CITY COUNCIL PRIORITIES

## City Council Priority Setting Workshop



# COMMUNITY FEEDBACK THEMES

## Community Survey Feedback – Late 2019

| Major Issues Facing Tacoma in the Next Five Years |                  |
|---|------------------|
| Issue   | % of Respondents |
| Homelessness                                      | 31%              |
| Overcrowding/Overpopulation                       | 14%              |
| Affordable Housing/Housing Costs                  | 13%              |
| Housing/ Housing Shortage                         | 11%              |
| Crime/Gang Activity/Drugs/Gun Control             | 10%              |

## Summer 2020 Feedback – Top Themes

| Theme  | Data Points   |
|--|---|
| Policing   | Community Safety Survey, Anti-Racism and Equity Survey, Balancing Act                 |
| Improved Access to Social Services and Health Care | Community Safety Survey, Health Survey, Anti- Racism and Equity Survey, Balancing Act |
| More Housing/Improved Access to Jobs               | Housing Survey, Jobs Survey, Anti-Racism and Equity Survey, Balancing Act             |
| Accountability From the City and Police            | Community Engagement Survey, Community Safety Survey, Anti-Racism and Equity Survey   |

# ANTI-RACIST TRANSFORMATION

## City Council Resolution 40622

- Passed in June 2020
- Prioritizes anti-racism in budget development process and COVID-19 economic recovery

## 2021-2022 Budget Development Process Included

- Evaluation of all services, programs, and proposals for prioritized spending under an anti-racism lens
- Development of Racial Equity Action Plans (REAPs) for every City department

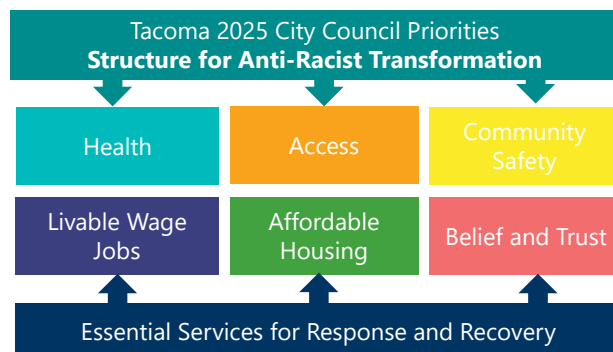


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# CITY COUNCIL PRIORITIES

## 2021-2022 Proposed Budget

- Maintains financial sustainability
- Sets the structure for transformation
- Maintains equitable essential services
- Provides for response and recovery from pandemic impacts



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# BALANCED AND SUSTAINABLE BUDGET

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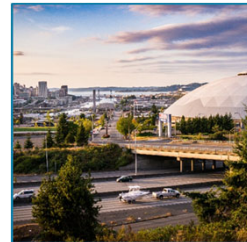
## 2021-2022 FINANCIAL OVERVIEW

### Balanced

- Aligns revenues and expenditures

### Sustainable

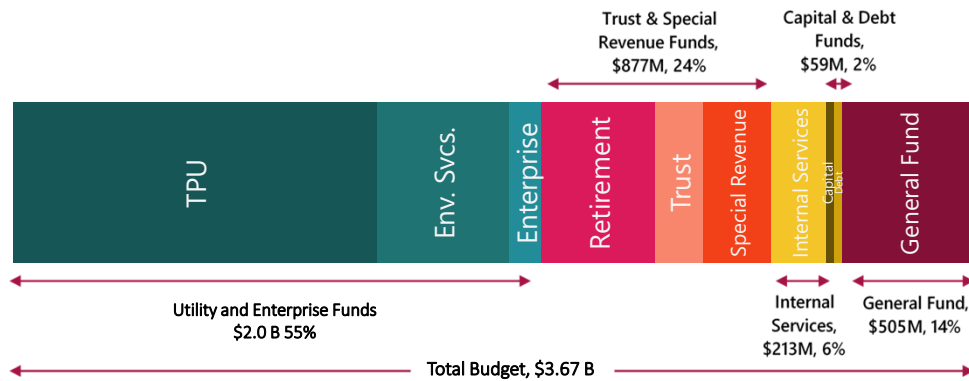
- Maintains reserves
  - Meets Council Reserve Policy and best practices
  - 16.7% General Fund reserves (2 months of expenses)
- Employs combination of ongoing and one-time actions



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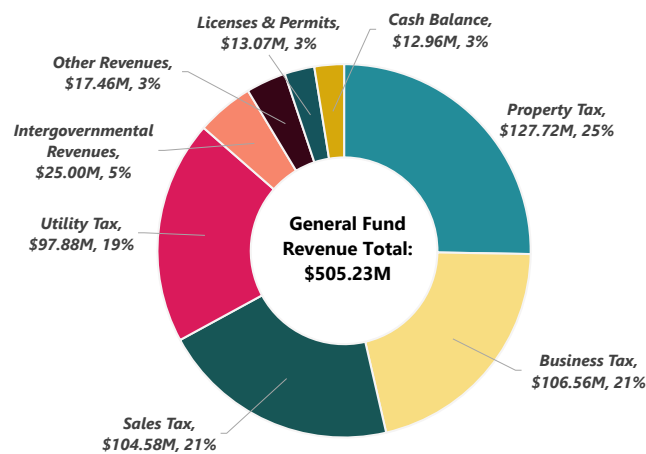
## CITY OF TACOMA BUDGET



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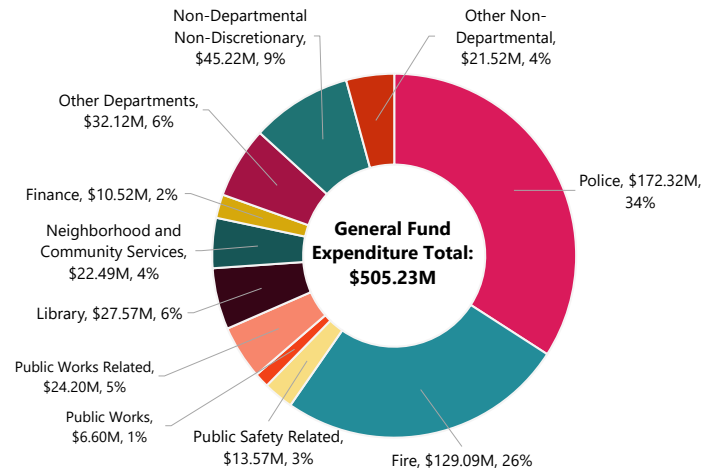
## GENERAL FUND REVENUE



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## GENERAL FUND EXPENDITURE

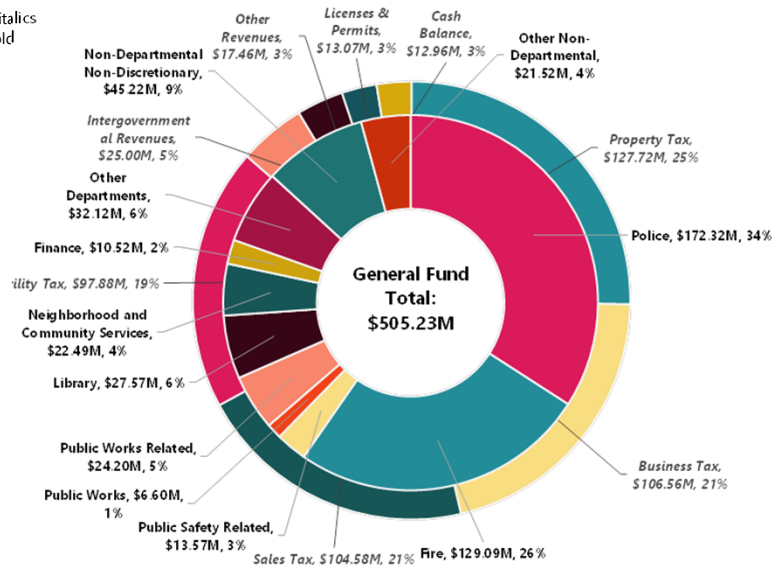


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## GENERAL FUND

Revenues shown in *italics*  
and **Expenses** in **bold**

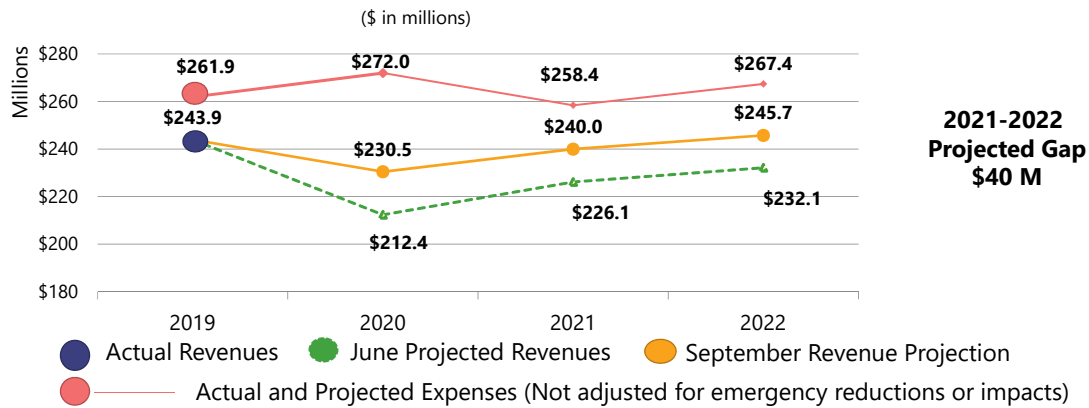


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## PROJECTION UPDATES



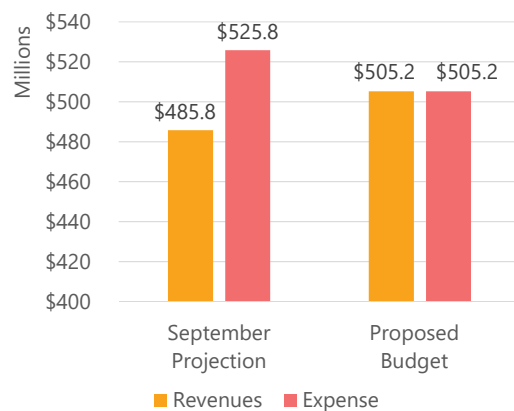
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## PROPOSED BUDGET - CLOSING THE GAP

### Address General Fund Gap of \$40M

- Reductions and Mitigations (-\$27.3M)
- Labor Costs Assumptions and Internal Service Charges (-\$4.5M)
- Updates and Redirects Revenues (\$6.5M)
- Savings From 2020 Reductions (\$12.9M)
- Enhanced Services (\$11.2M)



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## REDUCTIONS AND MITIGATIONS (-\$27.3M)

- Redirects Fire resources for deployment of in-house Basic Life Support services
- Reduces Police authority to spend on staffing
- Repurposes 2<sup>nd</sup> Floor Main Library for community organization use
- Reduces fleet replacement and deferred maintenance programs
- Reduces Municipal Court and Legal Department staff to align with caseload changes and efficiencies
- Pauses Innovative Grant Program
- Extends Senior Center closure to respond to COVID safety-related restrictions



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## OTHER APPROACHES TO CLOSING THE GAP AND ENHANCED SERVICES

- Labor and Internal Services (-\$4.5M)
  - Limits internal service reductions to allow for support of essential services, transformation and recovery
  - Reduces wage increase assumptions
- Updated Revenues and Redirects Revenues to General Fund (\$6.5M)
- Savings From 2020 Reductions (\$12.9M)
- Enhanced Services to Meet City Council Priorities and Emergent Needs (\$11.2M)



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## ADDRESSING COVID REVENUE IMPACTS OTHER FUNDS

### Tacoma Venues and Events

- Aligns staffing and facility operations to COVID health and safety requirements and projected economic recovery
- Carefully monitoring trends for events and bookings

### Public Works

- Redirects planned infrastructure improvements due to I-976 revenue loss to Streets Initiative eligible projects
- Careful tracking of trends in parking and developing flexible response based on impacts

### Environmental Services

- Delayed maintenance and capital programing to keep rate increases low



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## STRUCTURE FOR ANTI-RACIST TRANSFORMATION

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## TRANSFORMATION EFFORTS

### Community-Led Systems-Wide Transformation

- Long-term community-led transformation
  - Guided by the Mayor
  - Sets vision for community safety and systems-wide transformation

### Policing Transformation

### Organizational Transformation

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## POLICING TRANSFORMATION: COMPLETED OR UNDERWAY

- **8 Can't Wait Policies**
- **Obama Pledge**
- 21<sup>st</sup> Century Policing **current state assessment**
- **Body Worn Camera** purchase and policy development
- **Police Chief Recruitment** with robust community engagement
- **Police Union Contract Discussions** with community input and involvement



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## POLICING TRANSFORMATION: 2021-2022 BUDGET

### Body Camera implementation

- Public disclosure staffing, storage, IT and administrative support, training and maintenance

### Tacoma Police Department **Current State Review**

- Finalize review and recommendations from 21<sup>st</sup> Century Policing
- Evaluate **divertible calls for service**
- Update **staffing study recommendations**
- Analyze data on **service demand and response**



### Behavioral Health Response Unit

### Office of Community Safety startup funding



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## POLICING TRANSFORMATION: 2021-2022 BUDGET CONT.

Dedicated **Project PEACE Phase II** staff in the Office of Equity and Human Rights

### Communications Support Position

### Community Trauma Response Team (CTRT)

### Program Oversight Adjustments

- Information technology (IT) oversight moved to IT Department
- Contract management of CTRT and Co-responder program transitioned to Neighborhood and Community Services Department
- Red light and speed camera management moved to Public Works



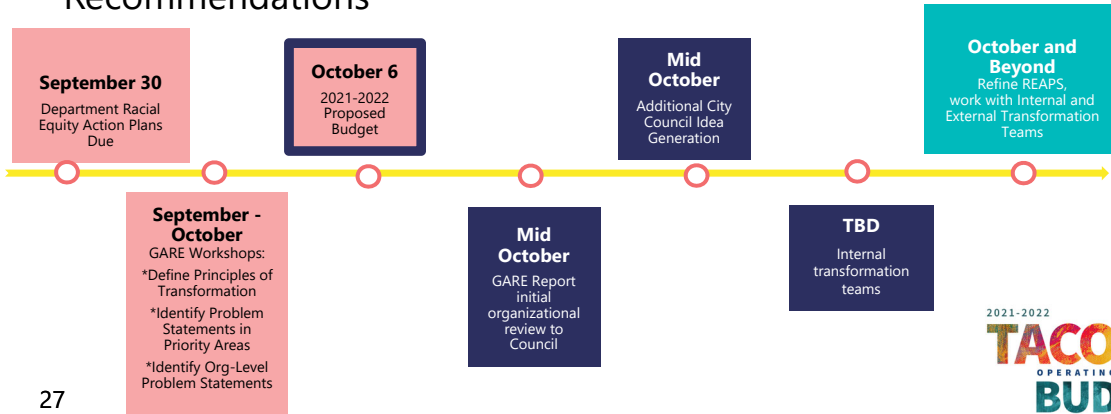
### Transformation Implementation Funding



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## ORGANIZATIONAL TRANSFORMATION

- Racial Equity Action Plans
- Government Alliance for Racial Equity (GARE) Cohort Recommendations



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## MAINTAIN ESSENTIAL SERVICES

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## MAINTAINING ESSENTIAL SERVICES

### Emergency Response

- Maintains Fire and Police system-wide service level standards for emergency response
- Maintains snow/ice removal capability

### Streets Initiative

- Meets our commitment to continue improving our streets

### Garbage and Recycling

- Maintains residential services and enhances commercial services
- Includes reasonable rate increase assumptions



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## MAINTAINING ESSENTIAL SERVICES CONT'D

### Water and Power

- Maintains ability to provide clean water and reliable power
- Includes reasonable rate increase assumptions

### Library Services

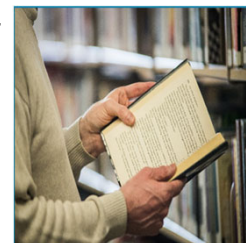
- Continues operation of Main and all branch libraries

### Human Rights and Fair Housing

- Retains staff for complaint intake and processing

### Nighborhood and Community Services

- Meets commitment to provide sheltering for unhoused through continuation of TEMS sites, Stability Site, and other shelter services
- Continues youth and young adult violence prevention funding



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# RESPOND AND RECOVER (COVID-19)

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## RESPOND AND RECOVER

### **Adapts Public-Facing Services to meet CDC Guidelines**

- Modifies Tacoma Venues and Events facilities
- Changes service desk operations (311, Permitting, Tax and License)

### **Includes City Employee Safety Efforts**

- Funds first ever organization-wide Safety Office
- Provides required PPE; training
- Modifies workspaces, schedules and locations as necessary
- Supports remote work

### **Redirects Human Services and Business Support**

- Includes BIPOC focus for funding
- Supports business adaptations for response and recovery



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## RESPOND AND RECOVER: FEDERAL AND STATE FUNDING

### Provides Small Business Support

- Small business loans (\$1.1M)
- Small business grants (\$650K)
- Technical assistance and program management (\$500K)

### Affords Housing Relief

- Rental assistance (\$1.0M)
- Foreclosure assistance (\$650K)

### Supports Homeless Sheltering

- Temporary Emergency Shelter (TEMS) operations at E. 60th and McKinley (\$760K)
- TEMS operations at 6th and Orchard (\$1.6M)

### Provides Additional Funding for Response (\$1.5M)



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## RESPOND AND RECOVER: ENHANCES/RESTORES PRIORITY PROGRAMS

### Affordable Housing Action Strategy

- Contributes additional \$1M to Affordable Housing Trust Fund
- Funds down payment and foreclosure assistance disparity studies
- Adds staff support for tenant protection and permitting

### Transportation - Access and Safety Projects

- Links to Opportunity
- Active Transportation and Vision Zero
- Street striping
- Residential ADA ramps and sidewalks



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## RESPOND AND RECOVER: ENHANCES/RESTORES PRIORITY PROGRAMS

### Neighborhood Planning Program

- Continues AHAS implementation (infill housing and inclusionary zoning)
- Continues subarea planning
- Restores neighborhood action strategies

### Environmental Action Plan

- Enhances community engagement with emphasis on historically underrepresented and/or underserved populations

### Green and Resilient Building Program

- Continues assistance to developers, City staff and residents to address challenges posed by climate change

### Critical Areas Program

- Expands resources to assist in environmental compliance



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## RESPOND AND RECOVER: ENHANCES/RESTORES PRIORITY PROGRAMS

### Food Equity Program

- Adds Urban Agriculture project to focus on fruit bearing trees in right-of-ways

### Gas Station Park

- Restores commitment to revitalization in partnership with Metro Parks Tacoma

### Equity in Contracting

- Restores enhanced staffing to conduct trainings, increased outreach and monitoring for minority and women-owned businesses



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# SUMMARY AND NEXT STEPS

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## BUDGET SUMMARY

- Maintains financial sustainability
- Sets structure for anti-racist transformation
- Maintains essential services
- Provides for response and recovery from pandemic impacts

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## COMMUNITY ENGAGEMENT APPROACH

### Town Hall

- October 21 – Overview of 2021-2022 Proposed Budget and breakout conversations with Council Members
- Spanish language event

### Community Meetings

- Staff available to attend existing meetings to provide overview of 2021-2022 Proposed Budget

### Balancing Act

- Open October 6 – November 3

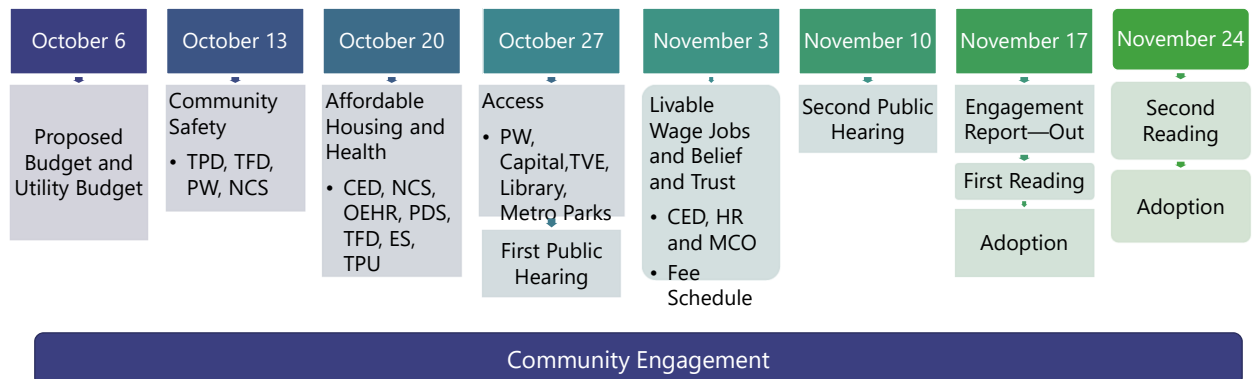
### Public Hearing

- October 27 and November 10 – Promoted as a venue for community feedback



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## BUDGET CALENDAR



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# **PROPOSED BUDGET 2021-2022**

City Manager's Office  
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October 6, 2020

