




TO: Elizabeth A. Pauli, City Manager
FROM: Peter Huffman, Planning and Development Services Director 
COPY: Government Performance and Finance Committee; Andy Cherullo; Warren Bucoda
PRESENTER: Corey Newton, P.E., Planning and Development Services Division Manager
SUBJECT: PDS Financial Policy and Dedicated Funding Updates
DATE: October 20, 2020

PRESENTATION TYPE:

Request for Ordinance

SUMMARY:

Planning and Development Services (PDS) is proposing changes to the Tacoma Municipal Code (TMC) to provide expanded uses and streamlined financial administration for the dedicated fees. This change will allow PDS additional flexibility as it prepares for emergency events and technology changes, and provides enhanced abilities for protecting natural resources. These code changes necessitate the corresponding updates to the PDS Financial Policy and the PDS Fee Schedule.

BACKGROUND:

PDS transitioned from a General Fund department to an Enterprise Fund in 2010, and with that transition, the department has focused on establishing improved permitting services that are fiscally sustainable. PDS created the dedicated funds to help established programs to improve services and abilities surrounding natural resources, technology, and emergency preparedness. PDS is proposing to modify the dedicated funds fee structure to enhance the uses of these fees to go into effect on January 1, 2021.

ISSUE:

The current TMC language requires the creation of dedicated funds (sub-funds). This requires additional administrative management, and PDS is proposing to change the TMC to allow for expanded uses of the fees and collection in the PDS operating fund to assist in streamlining the financial management of these fees. This adjustment will provide PDS will additional flexibility and help to implement improvements to the services PDS provides our permit customers, stakeholders and community.

ALTERNATIVES:

The City could choose not to modify the TMC, however this will potentially result in more rigid permit services enhancements and could create a delay in planned future projects, or other revenue sources may be needed.

FISCAL IMPACT:

There is a zero net change in the fiscal impact related to the TMC modification, however the updated PDS Fee Schedule includes a base CPI-U adjustment of 0.9 percent. This CPI adjustment helps to ensure a financially sustainable permitting system.

RECOMMENDATION:

PDS recommends modifying the TMC, PDS Financial Policy, and the PDS Fee Schedule to ensure a fiscally sustainable permitting system, and to allow for expanded flexibility and management.