



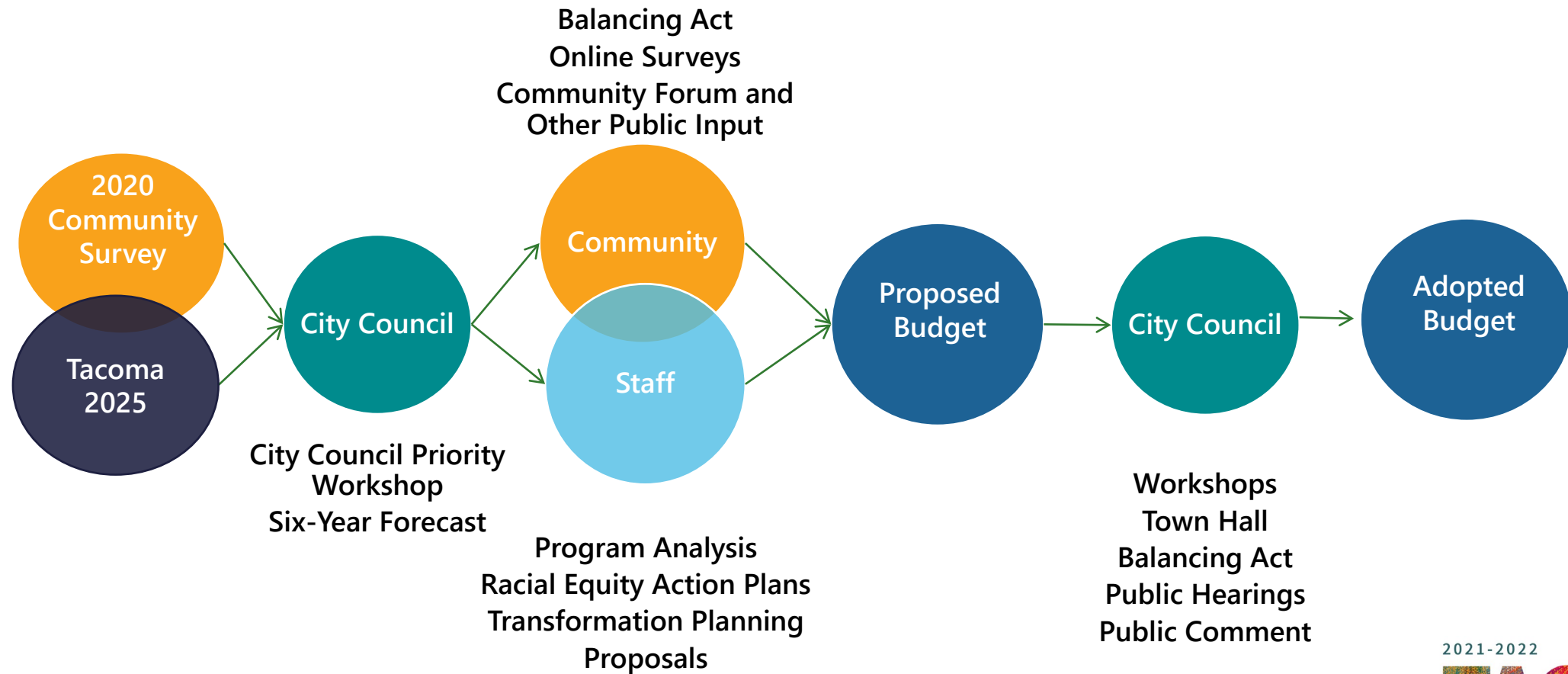
PROPOSED BUDGET 2021-2022

City of Tacoma Public Hearing
October 27, 2020

AGENDA

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

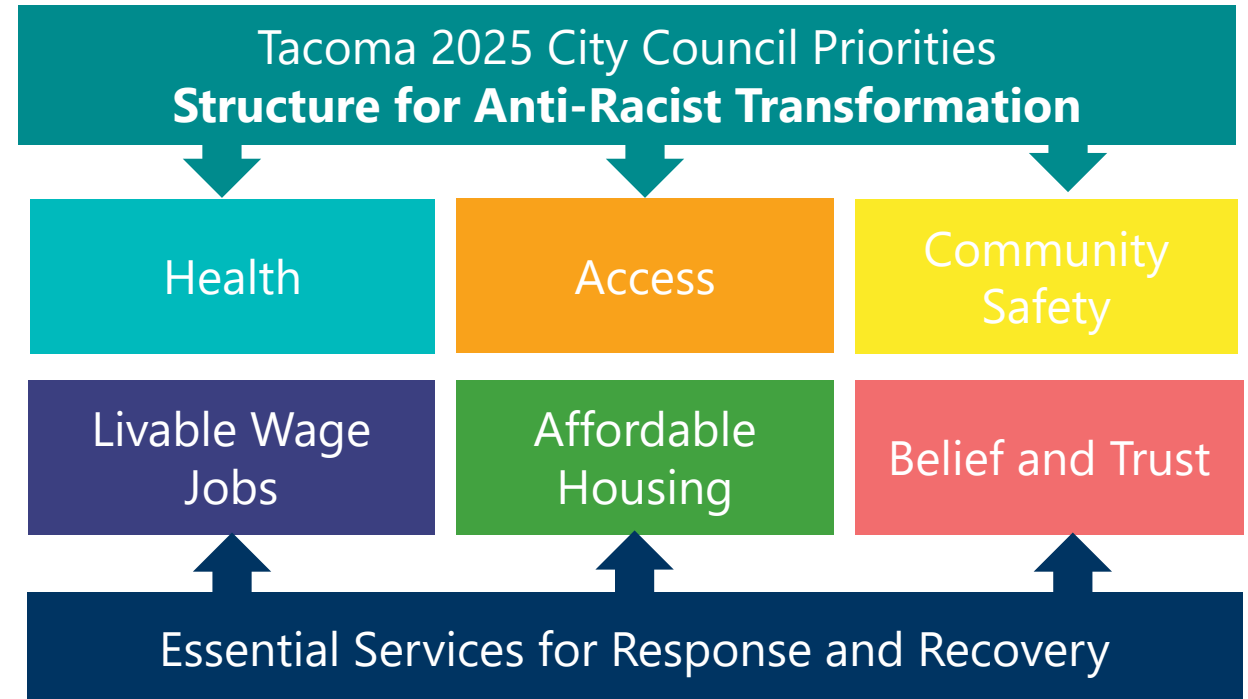
BUDGET DEVELOPMENT PROCESS



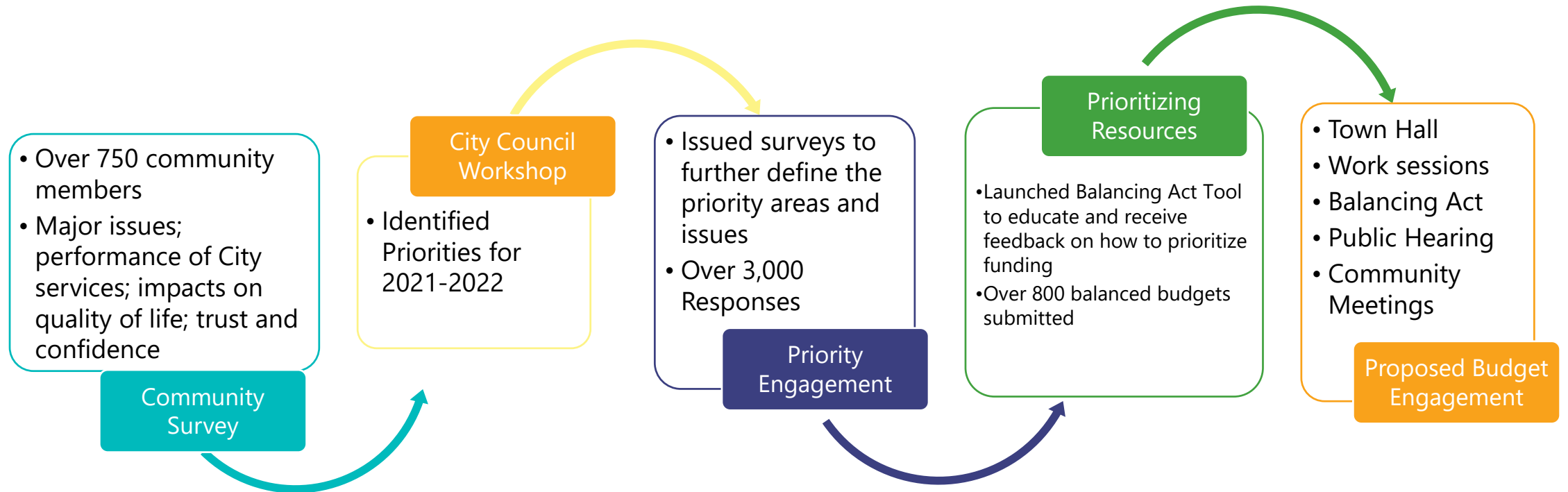
CITY COUNCIL PRIORITIES

2021-2022 Proposed Budget

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



COMMUNITY ENGAGEMENT PROCESS



COMMUNITY FEEDBACK THEMES

Community Survey Feedback – Late 2019

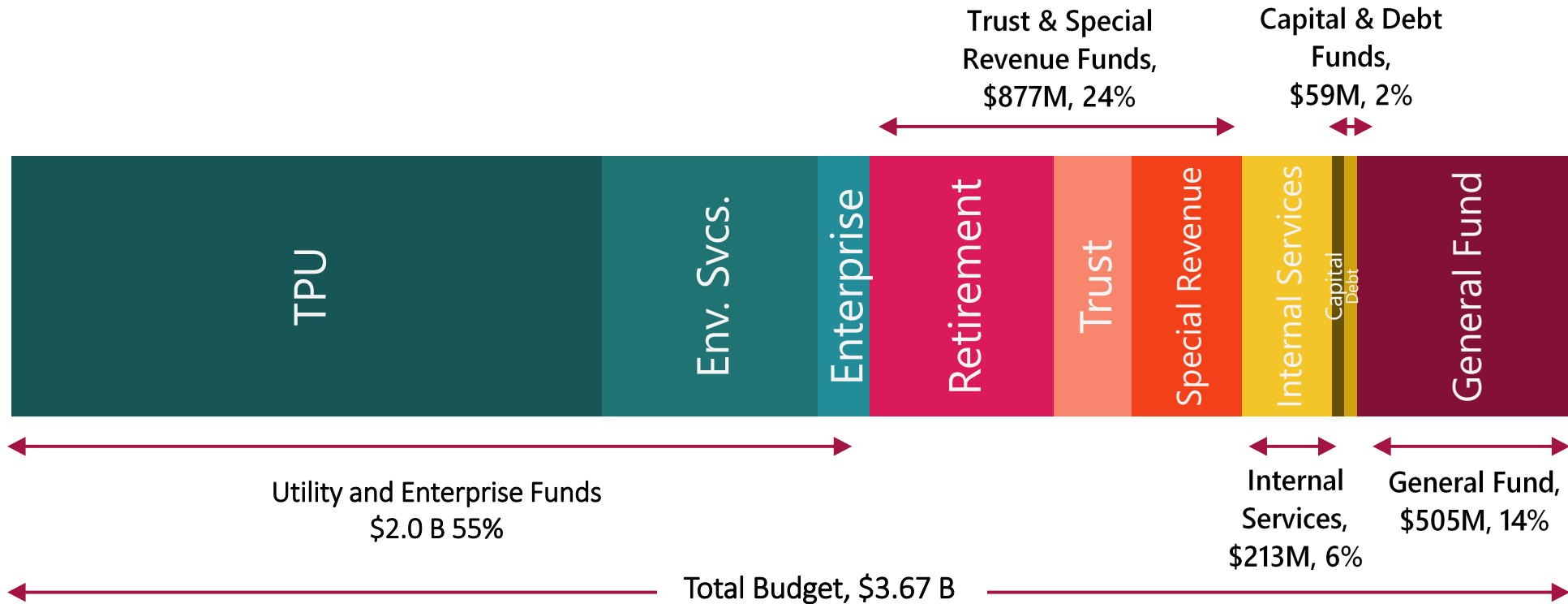
Major Issues Facing Tacoma in the Next Five Years	
<u>Issue</u>	<u>% of Respondents</u>
Homelessness	31%
Overcrowding/Overpopulation	14%
Affordable Housing/Housing Costs	13%
Housing/ Housing Shortage	11%
Crime/Gang Activity/Drugs/Gun Control	10%

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

2021-2022

CITY OF TACOMA BUDGET

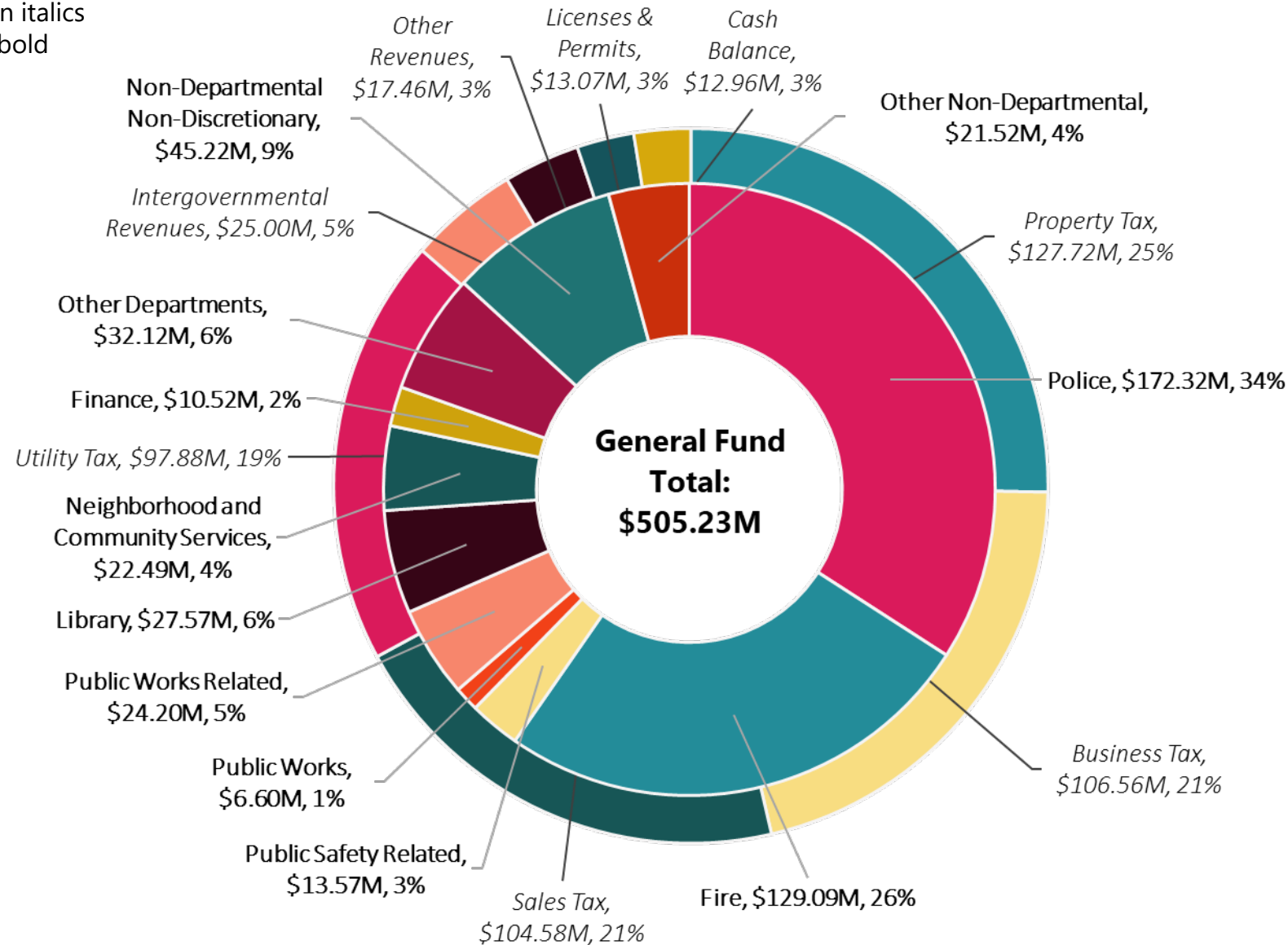


2021-2022

TACOMA
OPERATING & CAPITAL
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GENERAL FUND

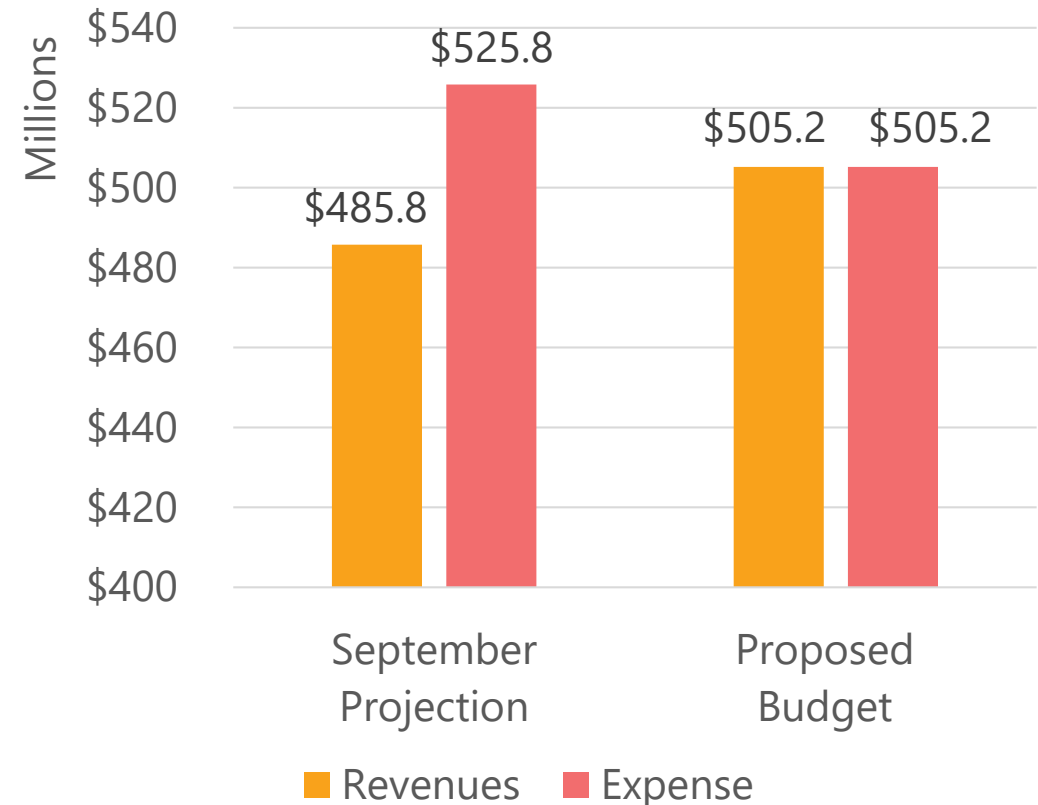
Revenues shown in *italics*
and **Expenses** in bold



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)



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 2nd 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



TRANSFORMATION EFFORTS

Community-Led Systems-Wide Transformation

- Long-term community-led transformation

Policing Transformation

- Body Camera implementation
- Tacoma Police Department Current State Review of divertible calls & staffing
- Office of Community Safety startup funding & Transformation Implementation Funding
- 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 (moves of management of programs)

Organizational Transformation

MAINTAINING ESSENTIAL SERVICES

Emergency Response

Streets Initiative

Garbage and Recycling

Water and Power

Library Services

Human Rights and Fair Housing

Sheltering Services



RESPOND AND RECOVER

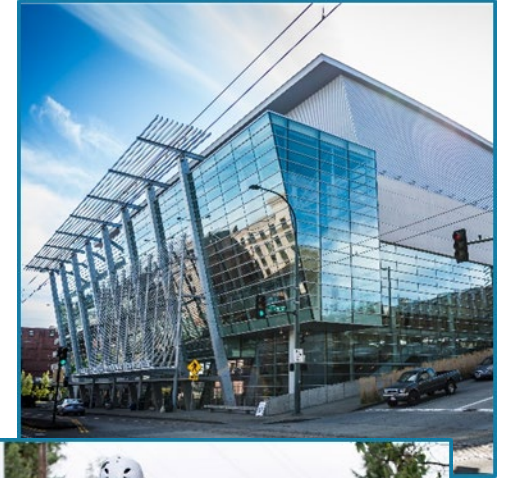
COVID-19

Adapts Public-Facing Services to meet CDC Guidelines
Redirects Human Services and Business Support
Provides Small Business Support

Housing

Housing Relief and Affordable Housing Actions Strategy
Supports Homeless Sheltering
Neighborhood Planning Program

Transportation - Access and Safety Projects



2021-2022

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RESPOND AND RECOVER: ENHANCES/RESTORES PRIORITY PROGRAMS

Health

- Behavior Health Unit
- Basic Life Support Services

Environmental Health

- Environmental Action Plan
- Green and Resilient Building Program
- Critical Areas Program
- Food Equity Program





CAPITAL FACILITIES PLAN AND CAPITAL BUDGET

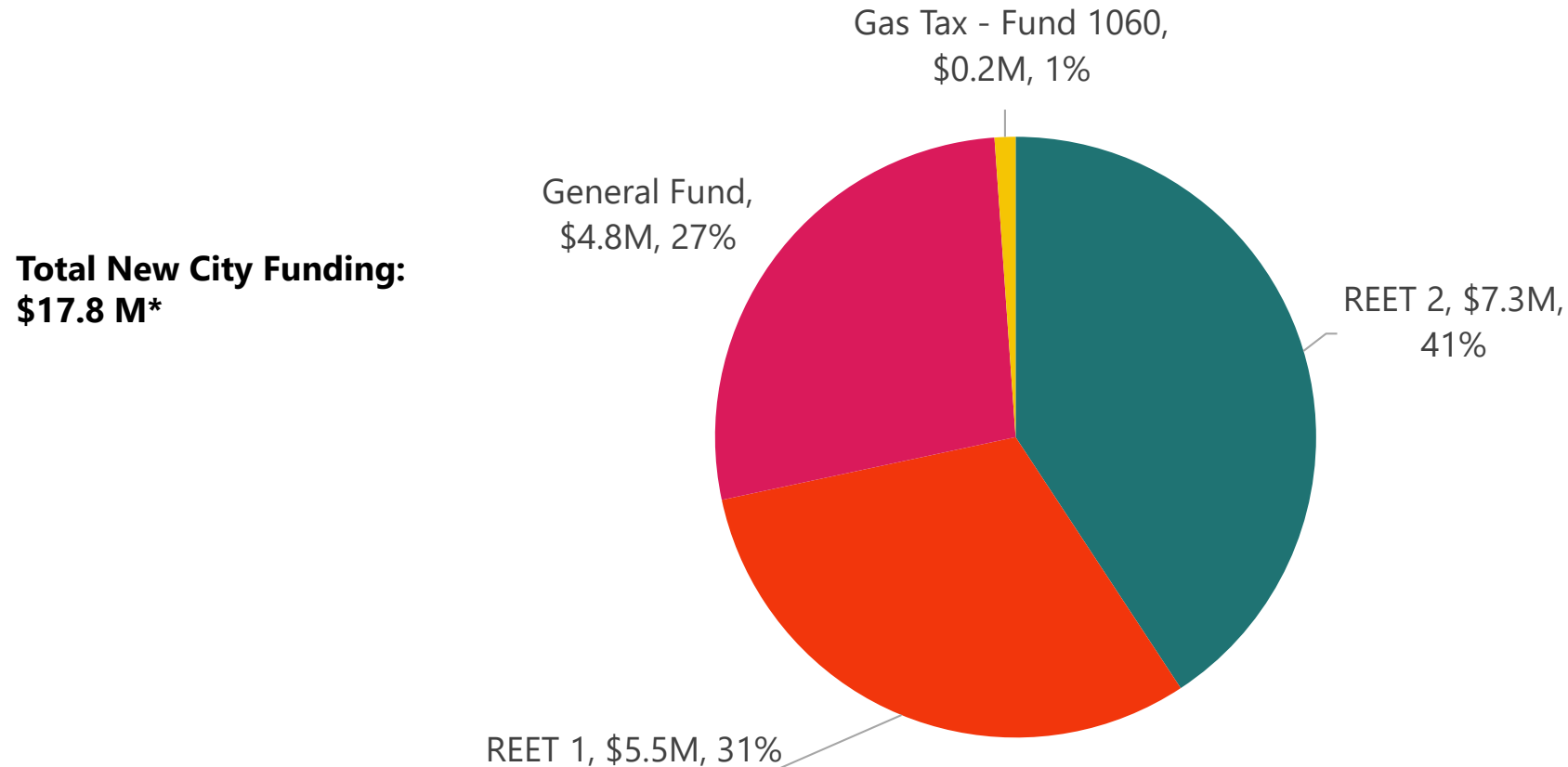
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CAPITAL OVERVIEW

- Capital Facilities Program (CFP)
 - Planning document for desired capital projects in the next six year period
 - Includes confirmed and potential funding sources
 - 42 New Projects (23 Utilities Projects and 16 Transportation Projects)
- Capital Budget
 - Identifies confirmed new funding for capital projects in the upcoming biennium
 - Sets appropriation authority for capital funds
 - Also indicates projects with previous appropriation



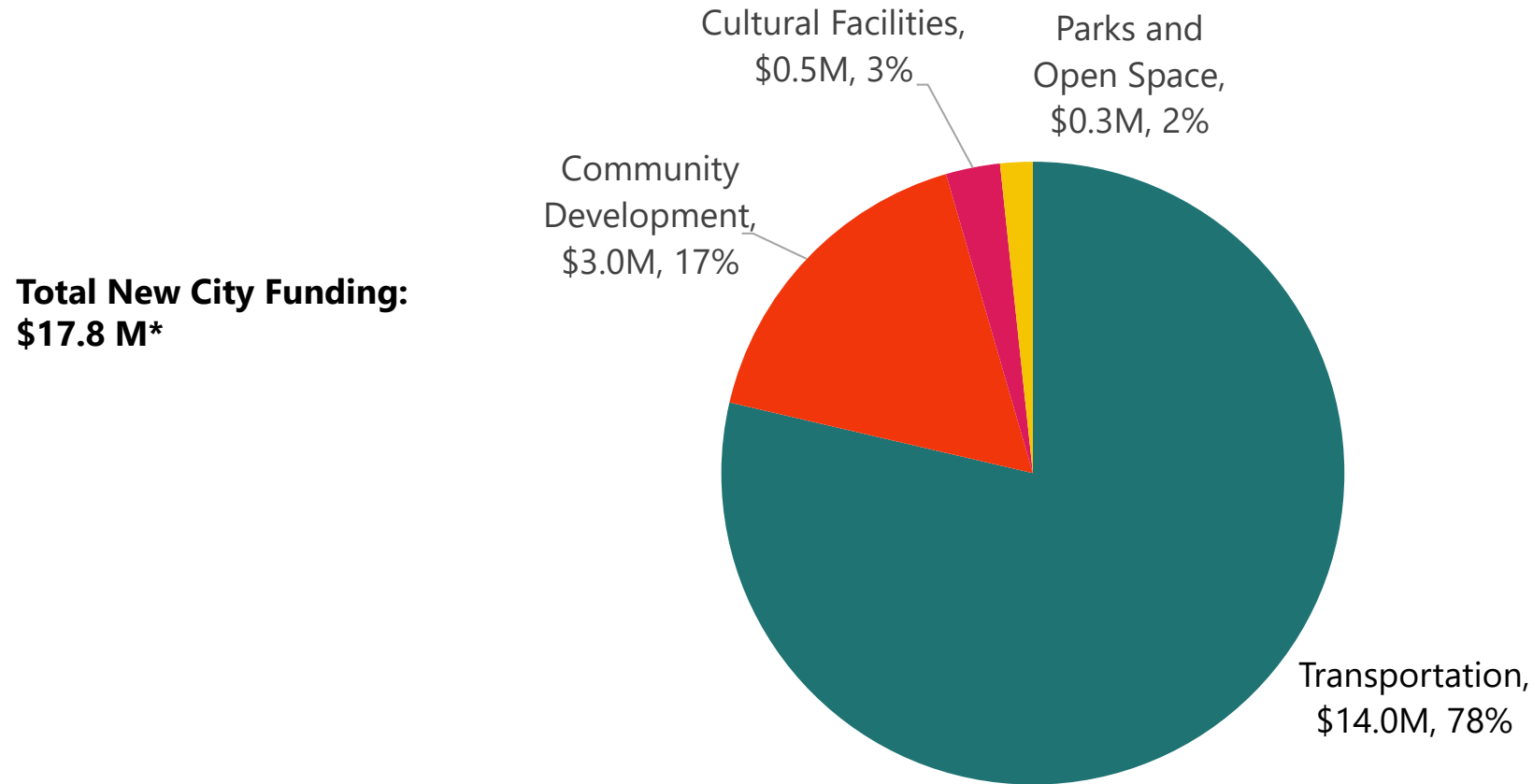
GENERAL GOVERNMENT CAPITAL BUDGET OVERVIEW - FUNDING



**Total New City Funding excludes utility capital program spending. When included, the total new funding in the Capital Budget is \$391.6 M*

Note: Chart not updated in light of I-976 ruling. Amendments to Proposed Budget forthcoming.

GENERAL GOVERNMENT CAPITAL BUDGET OVERVIEW - EXPENSE



**Total New City Funding excludes utility capital program spending. When included, the total new funding in the Capital Budget is \$391.6 M*

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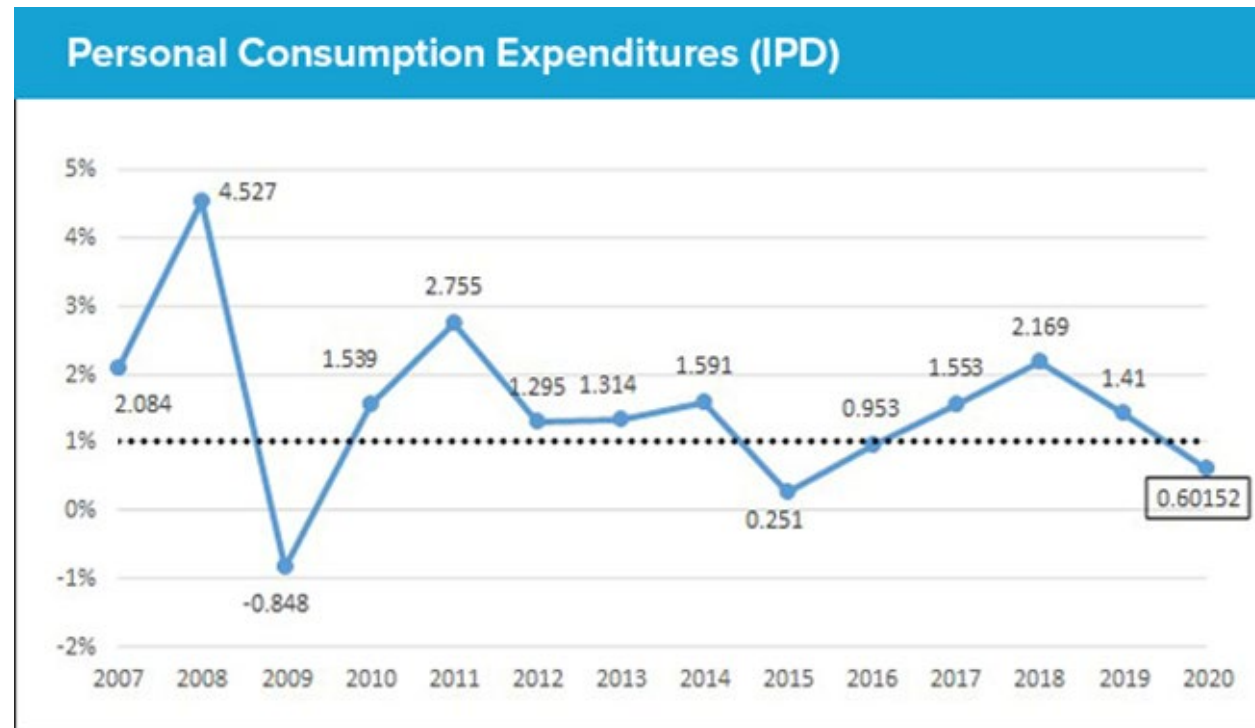
2021 PROPERTY TAX LEVIES

OVERVIEW

- Review Property Tax resolution & ordinances for 2021
 - Resolution Declaring Substantial Need
 - Four Ordinances to set the City of Tacoma's regular and EMS property tax levies (each levy has two ordinances):
 - Approves the total levy amount to be collected
 - Approves the percentage and dollar increase over the prior year's actual levy

SUBSTANTIAL NEED

- State law requires that the City Council declare substantial need to levy the full 1% increase in years when the Implicit Price Deflator is less than 1%.
- Without substantial need declaration, property levy can only increase by 0.6%



REGULAR PROPERTY TAX LEVY

- The ordinances authorize the 2021 property tax levy at \$67.8 M, 1% increase over the highest regular levy

2021 Revenues	
Regular Property Tax Levy	\$67.8 M
New Construction Revenues	\$1.0 M
Refund Levy	\$0.2 M
Total Estimated Levy	\$69.0 M
Anticipated Property Tax Revenues (Using historical collection rate)	\$66.3 M

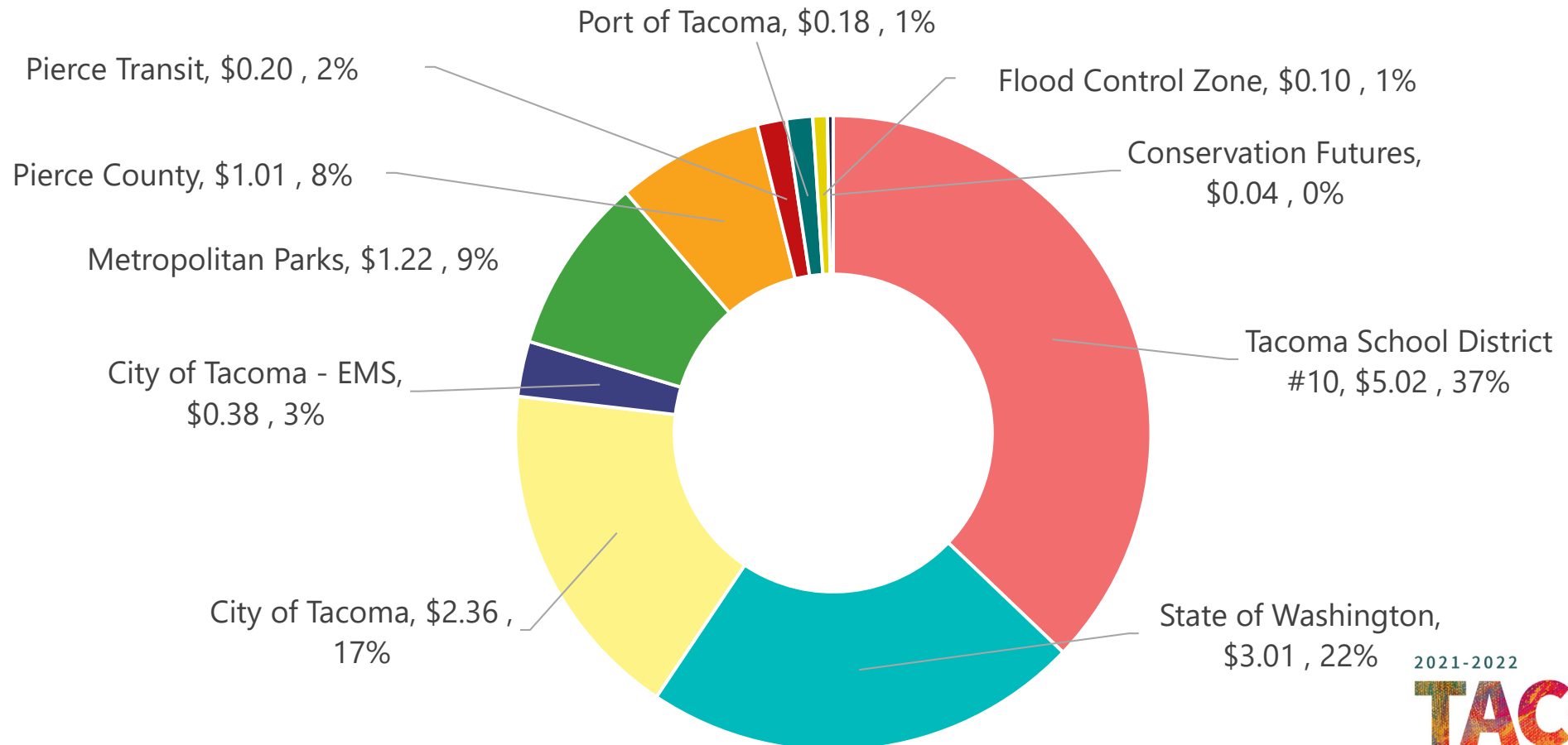
EMS LEVY

- The ordinances authorize the 2021 EMS property tax levy at \$11.5 M, 1% increase over the highest regular levy

2021 Revenues	
Regular Property Tax Levy	\$11.5 M
New Construction Revenues	\$0.2 M
Refund Levy	\$0.04 M
Total Estimated Levy	\$11.7 M
Anticipated Property Tax Revenues (Using historical collection rate)	\$11.2 M

2020 PROPERTY TAX RATE PER \$1000 AV

\$13.53 Tax Rate per \$1,000 AV



2021-2022

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2021 PROPERTY TAX LEVIES