

2021-2022 BUDGET UPDATES

Study Session
November 10, 2020



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AGENDA

- Legislative Process Overview
- Fee Schedule
- Franchise Fee
- Amendments



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LEGISLATIVE CALENDAR

Throughout: Collective Bargaining Agreements as Negotiated, Purchase Resolutions, Social Services Contracts

November 10

- Public Hearings: Biennial Operating Budget, Capital Budget, Capital Facilities Program
- Ordinances: Rail Rate Policy

November 17

- First Readings: Biennial Operating Budget, Capital Budget, Capital Facilities Program, Property Tax Levy, EMS Levy, Utility Rates, Franchise Fee Redirection, Fire Code Amendments
- Resolutions: Finding of Substantial Need, Set Hearing Examiner Hearings

November 24

- Second Readings: Biennial Operating Budget, Capital Budget, CFP, Property Tax Levy, EMS Levy, Utility Rates, Franchise Fee Redirection, Fire Code Amendments
- Resolutions: Transportation Benefit District, Fee Schedule

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LEGISLATIVE CALENDAR – CONT

December 1

- First Reading: 2019-2020 Biennium End Adjustments, Non-Represented Wages

December 8

- Second Reading: 2019-2020 Biennium End Adjustments, Non-Represented Wages

December 15

- Final Council Meeting of the Year

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FEES VS. TAXES

Fee: to charge for a service or to recover the costs of regulating a business or other activity

Tax: to raise revenue

Washington courts have stated that for a fee to be valid the fee (not an illegal tax) must have 3 components:

1. the primary purpose of the fee is to regulate fee payers or their activities;
2. the money collected from the fees must be "segregated and allocated exclusively to regulating the 'entity or activity being assessed,'" and
3. there must be a direct relationship between the fee charged and either the service property owners receive or a burden to which they contribute.

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FEE SCHEDULE

- Removes Unneeded Fees
- Updates Fees
 - Special Events
- Adds Fees
 - Equity 101 Training
 - Public Disclosure Fees for Body Cameras
- Moves Fire Fees from TMC
 - Transport Fees

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BODY CAMERA FEES

- Authority Governed by RCW 42.56.240 (14)
 - Differs from typical Public Disclosure Request Procedure
- Parties Exempt from Fee:
 - Individuals in Video
 - Attorneys of Individuals in Video
 - Civil Rights Commissions
- Fee
 - \$0.49 per minute of redaction
 - Based off other Washington Jurisdictions (Seattle & Spokane)

Redaction Services Include

- Frame by Frame Review
- Youth and Identifying Features

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BUDGET

FIRE FEES AND TRANSPORT FEES

- 43 fees moved from TMC Chapter 3 to the Fee Schedule and Permit Fee Schedule
 - TFD will bring forward legislation to remove specific fees from TMC
 - Change is consistent with other City processes and allows easier updates
- Fees adjusted for Consumer Price Index Changes (1% - 2021 and 2022)
 - Lift assist, False alarm fees not changed
- Adds Transport Fee to Schedule and updated for BLS transport
 - Need to track expenses over next year – determine costs
 - Assess the revenues and risks – unknown

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SPECIAL EVENTS

Position	Old Rate	New Rate
Special Events – Non Profit; block party; constitutionally protected	<p>Attendance</p> <p>50-250 \$25</p> <p>251-1,000 \$50</p> <p>1,001-10,000 \$100</p> <p>10,001-50,000 \$250</p> <p>>50,000 \$500</p> <p>A 10% discount will be applied to all applications received more than 60 days prior to the event date. All other fees required by Permitting Authority apply.</p>	<p>Base Fee: \$50</p> <p>Mailing Distribution: \$75 per block. First city block included in the Base Permit Fee.</p> <p>Late Application Fee 10% Fee added to all applications received less than 60 days prior</p>
Special Events – Commercial	<p>Attendance</p> <p>50-250 \$50</p> <p>251-1,000 \$100</p> <p>1,001-10,000 \$200</p> <p>10,001-50,000 \$500</p> <p>>50,000 \$1000</p> <p>A 10% discount will be applied to all applications received more than 60 days prior to the event date. All other fees required by Permitting Authority apply.</p>	<p>Base Fee: \$75</p> <p>Mailing Distribution: \$100 per block. First city block included in the Base Permit Fee.</p> <p>Late Application Fee 10% Fee added to all applications received less than 60 days prior</p>

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CABLE FRANCHISE FEES

Current State

- Currently revenues are dedicated by ordinance to “implementing and operating the Municipal Cable Televisions System and Program”
- Revenues exceed the cost of operating the Municipal Cable Television System and are also used to support Media and Communication Services

2021-2022 Proposed Budget

- Transitions Media and Communications to an internal service charge similar to other internal support services
- And
- Redirects Cable Franchise Fees to General Fund (\$6M) along with the associated costs of the TV Tacoma system to the General Fund (\$3.4M)
 - Allows for general use of the remaining \$2.6M in revenue

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I-976 UPDATES

- Street Operations Adjustments
 - Add in revenues that will be added back to streets (pull from Kurtis Slide)
- Real Estate Excise Tax (REET) adjustments
 - Use I-976 for Streetlight Improvements \$2M
 - Use REET rather than General Fund for \$2M in Contribution to Streets Initiative

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GENERAL FUND AMENDMENTS

- Library – add funding in order to mitigate impacts to Library services (\$1M)
- Neighborhood Planning Program – add one plan in 2021-2022 (\$480K, +1FTE)
- Opioid Coordinator – City would match funds from Pierce County (\$120K)
- Gross Earning Tax Revenue Impacts Related to Changes in Rates (\$280K up)
- Downtown Retail Coordinator Continuation
- Clean & Healthy Work Program
- Continued Consideration of TPD Staffing Matrix Study
- BLS Alternatives: Delayed/Staggered Start of BLS and Restore all Engines for Biennium

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BASIC LIFE SUPPORT IMPLEMENTATION

- Staffing
 - Service Level
 - Training capacity (maximum 24 per class every 6 months)
 - Retirements (up to 20 per year projected)
- Timing, Costs, and Revenues
 - Overtime capacity vs. Fully staffed, regular time
 - Funding Source: EMS and General Fund
 - BLS revenue

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DELAYED/STAGGERED BLS

- **April 2021:** Staff redeployed to put two BLS Transport Units in service (two engines pulled from service)
- **October 2021:** Three additional BLS Transport Units in service
- Change from current proposal
 - Shift funding for BLS transport implementation project staff to retain one Engine in 2021
 - Further draws down fund reserves to minimum recommended levels; decrease of \$6.7M in EMS reserve funds.

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IMPLEMENTATION COMPARISON

Alternatives	A - Proposed Budget		B - Staggered/Delayed	
	2021	2022	2021	2022
BLS Units	5 Units April	5 Units in Operation	2 Units April and 3 Units October	5 Units in Operation
Engines Out of Service	3	2	2	2
Personnel Impacts				
Budgeted Recruit Class (6 Months - Max 24 People)	2		2	1
Overtime Beyond Budget		X		✓
	2021	2022	2021	2022
	Change from Baseline		(Change from A - Proposed)	
GF Impact (Personnel)	-\$5.3M	-\$3.7M	\$0M	\$0M
Biennial Net (Increased Expense)		-\$9.0M		\$0M
EMS Net Impact (Rev & Expense)	+\$0.4M	+\$1.4M	-\$6.2M	-\$0.5M
Biennial Net (Lost Revenue & Increased Expense)		+\$1.8M		-\$6.7M



ADD'L IMPLEMENTATION ALTERNATIVES

Alternatives	A - Proposed Budget		B - Staggered/Delayed		C - Staggered/Delayed Plus 1 Engine Return in 2022		D - Current Service plus BLS	
	2021	2022	2021	2022	2021	2022	2021	2022
BLS Units	5 Units April	5 Units in Operation	2 Units April and 3 Units October	5 Units in Operation	2 Units April and 3 Units October	5 Units in Operation	No BLS Units by TFD	3 Units January and 2 Units January
Engines Out of Service	3	2	2	2	2	1	0	0
Personnel Impacts								
Budgeted Recruit Class (6 Months - Max 24 People)	2		2	1	2	1	2	2
Overtime Beyond Budget		X		✓		✓		✓
	2021	2022	2021	2022	2021	2022	2021	2022
	Change from Baseline		(Change from A - Proposed)		(Change from A - Proposed)		(Change from A - Proposed)	
GF Impact (Personnel)	-\$5.3M	-\$3.7M	\$0M	\$0M	\$0M	+\$2.2M	+\$5.3M	+\$3.7M
Biennial Net (Increased Expense)		-\$9.0M		\$0M		+\$2.2M		+\$9.0M
EMS Net Impact (Rev & Expense)	+\$0.4M	+\$1.4M	-\$6.2M	-\$0.5M	-\$6.2M	-\$0.5M	-\$3.3M	-\$6.1M
Biennial Net (Lost Revenue & Increased Expense)		+\$1.8M		-\$6.7M		-\$6.7M		-\$9.4M



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