

2021-2022 BUDGET MID-BIENNIUM MODIFICATION

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AGENDA

- Mid-Biennial Modification
 - Purpose of Modification
 - 2021-2022 Mid-Biennial Modification
 - Proposed General Fund Modification
 - Enhancements, Restorations, and Updates
 - Enterprise Funds
 - Reserve Policy Funding
 - ARPA for 2022
 - Next Steps

PURPOSE OF MODIFICATION

- State Law requires a mid-biennial review and modification before conclusion of first year of biennium
- Mid-Biennial Modification:
 - Aligns and updates revenue and expenditure budgets with updated financial information and trends
 - Adjusts for resolutions previously approved by City Council
 - Provides for budgetary corrections or adjustments
 - Adapts and responds to changes in needs
 - Incorporates a long-term view

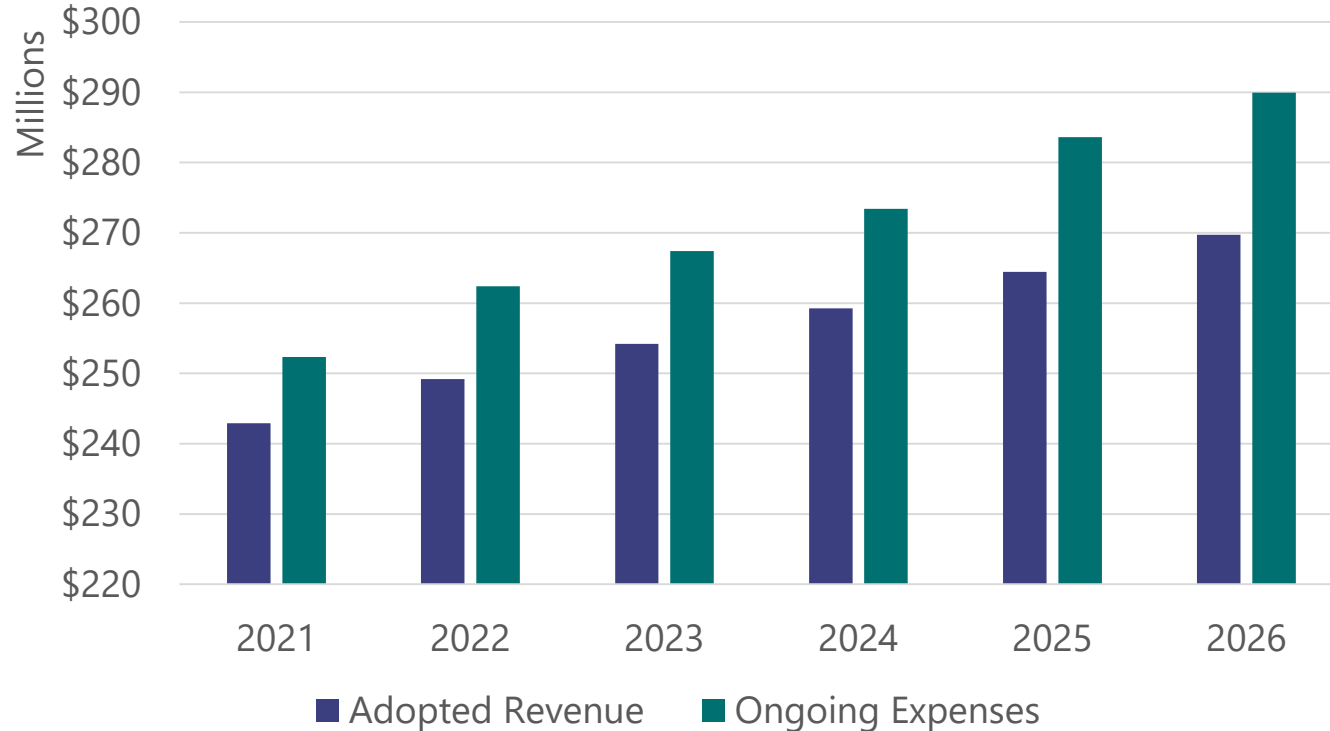
2021-2022 MID-BIENNIAL BUDGET MODIFICATION

- Considerations impacting 2021-2022 Modification
 - Existing Planned Work
 - ARPA and Federal Funds Additional Source to address Emergent Needs
 - Restoration of Services
- 2021-2022 Enhancements, Restorations, and Updates
 - Affordable Housing and Homelessness
 - Climate Action Plan
 - Community Safety and Health
 - Deferred Maintenance
 - Projection Updates
 - Transformation

PROPOSED 2021-2022 GENERAL FUND MODIFICATION

	2021-2022 Modification Changes
2020 Year End Savings	\$20.9M
Revenue Projection Updates to the General Fund	\$20.3M
One-Time Revenues	\$5.2M
Total Revenues	\$46.4M
Expense Enhancements, Restorations, and Updates	\$31.1M
Updated General Fund Reserve Based on Higher Expenses (16.7%)	\$1.7M
Contribution to Emergency Reserves (Meets 5% Target)	\$13.6M
Total of Expense and Reserve	\$46.4M

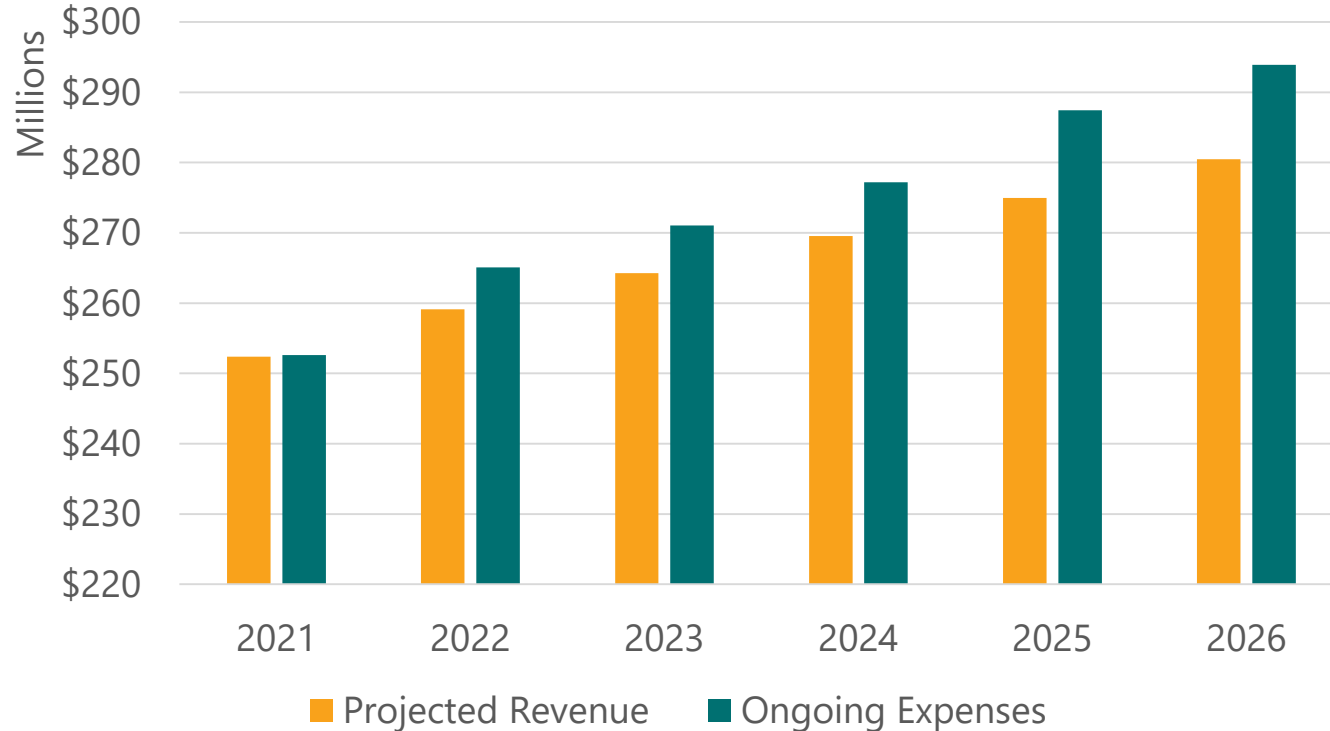
STRUCTURAL GAP



	2021	2022	2023	2024	2025	2026
Adopted Structural Gap	\$9.4 M	\$13.2 M	\$13.2 M	\$14.2 M	\$19.1 M*	\$20.2 M*

*Includes Fire Engine Service funded with ARPA through 2024

STRUCTURAL GAP



	2021	2022	2023	2024	2025	2026
Re-projected Structural Gap (MOD)	-\$0.3 M	\$5.6 M	\$6.8 M	\$7.6 M	\$12.5 M*	\$13.5 M*

*Includes Fire Engine Service funded with ARPA through 2024

ENHANCEMENTS, RESTORATIONS, AND UPDATES

EXISTING FUNDING AND EFFORTS

- Community Safety Transformation
 - Existing funding for Alternative Response and Transformation Efforts (\$1.2M in General Fund and \$480k ARPA)
 - Body Cameras (\$1.7M in General Fund and \$2M in ARPA)
- Affordable Housing and Homelessness
 - Sales Tax for Affordable Housing (\$7.3M appropriated through Modification)
 - Tenant Support through Federal Funding (\$11.7M)
 - American Rescue Plan Act (\$9.3M)
- Long Range Planning – Tideflats, Neighborhood Planning, At Home in Tacoma
- Infrastructure –Links to Opportunity, Prairie Line Trail Phase II, Water Flume Trail Phase III

UPDATES

- Updated Transfers due to COVID 19 Revenue Impacts - Parking Fund
- Recognition of Trends in Overtime and Changes in Wage Assumptions
- Updates to Liability Risk due to Experience and Coverage Changes
- Recognition of Grants New Revenues and Federal Funds
- Changes in Timing for BLS Implementation

COMMUNITY SAFETY, HEALTH, AND TRANSFORMATIONAL EFFORTS

- Police Related Proposals (\$5.6M Total)
 - Recruitment and Retention Efforts (Diversity Campaign and Incentives) - \$334k
 - Violent Crime Support (Crime Analysis Unit Positions and Training) - \$253k
 - Tacoma Police Department Overtime - \$3.05M
 - Transformation Police Captain- \$267k
 - Police Technology (Forensics, Technology Prioritization Study, Telestaff Upgrades) - \$230k
 - Fleet Replacements - \$1M
 - Psychologist - \$200k
 - Lexipol Policy Management \$279k
- Staff support to TPD to assist with Recruitment - \$127k
- Project PEACE Reconciliation Work - \$100k
- Alternative/ Divertible Calls (Homeless Outreach Team) - \$261k
- Tacoma Fire Department Overtime - \$1.8M
- Tidy Up Tacoma – Ongoing support for additional Blight Truck \$343k and Grounds and Maintenance Staff \$464k



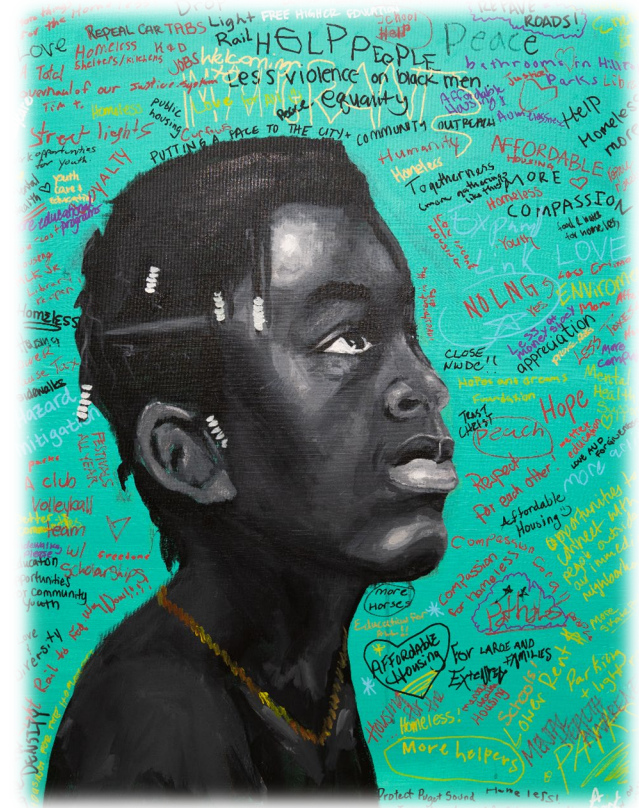
AFFORDABLE HOUSING & HOMELESSNESS

- Emergency Sheltering & Inclement Weather - \$2.3M
- Purchase of 69th and Proctor Site - \$1.5M
- Eviction Prevention Legal Services - \$263k
- Affordable Housing Design Support - \$249k
- Affordable Housing Action Strategy Analyst - \$111k
- South Sound Housing Affordability Partners - \$66k



TRANSFORMATION AND BELIEF & TRUST

- Committee, Board, and Commission Support in OEHR - \$143k
- Organizational Culture Program Specialist in OEHR - \$123k
- Equity Action Collaborative - \$250k
- Heal the Heart Funding - \$200k
- Sister Cities Support -\$25k



ACCESS

Deferred Maintenance and Facilities

- Fleet Rooftop Heating and Ventilation Units - \$1.5M
- Fire Facilities Heating and Cooling - \$1.5M
- Fire Station Site and Design - \$2M
- Fire Facilities Planning - \$1M
- Levy Consultant Support - \$250k

ACCESS

Infrastructure

- East 11th St Bridge - \$3M
- Link Extension - \$700k
- Speed Limit Changes – \$335k

Non-Motorized

- Unfit and Unsafe Sidewalks - \$500k
- Safe Routes to Schools - \$300K
- Vision Zero Active Transportation Improvements - \$50k
- Infrastructure Associated with Housing - \$500k
- I-5 Crossing Study - \$325k



ACCESS

Long Range Planning

- Neighborhood Planning Position Extension - \$114k
- Neighborhood Planning Consultant Services - \$150k (Neighborhood Planning Program will have two locations in 2022)
- Tideflats Sub-area Partnership Funding - \$700k



CLIMATE ACTION PLAN – JUMP START PROJECTS



- Municipal Facilities De-carbonization Study 2 - \$40k
- Commercial New Construction Clean Fuels Impact Assessment - \$50k
- Community Tree Planting Program - \$100k
- Community Food Access Projects - \$25k
- Community & Youth Climate Justice - \$25k
- Residential Healthy Retrofit Study - \$50k

RESERVE POLICY FUNDING RECOMMENDATIONS

General Fund Reserve (maintain at 16.7% of General Fund expenditures)

- USE - respond to catastrophic events
- MODIFICATION – Updated contribution to reflect increased expenses (\$XM)

Emergency Reserve (target of 5% of General Fund expenditures)

- USE - respond to economic cycles or downturns, adverse weather conditions, other emergencies
- MODIFICATION – fund to target of 5% (\$13M)

Contingency Reserve (target of 5% of General Fund expenditures)

- USE - deferred maintenance needs, specific capital projects that may otherwise not be accomplished through other funding sources, legal judgments or settlements, unanticipated expenditures, other such one-time
- MODIFICATION – no funding set aside as part of MOD

ENTERPRISE FUND UPDATES

Fund	Description	Amount
4110 – PDS Development Services	Sound Transit Hilltop Link Extension, Transit Partnership Staffing, Permit Support Staffing, Proactive Historic Surveys, Rental Building Infrastructure Module	\$3.5M
4165 – Convention Center	Greater Tacoma Convention Center Capital Projects	\$1.0M
4180 – Tacoma Dome	Tacoma Dome Financial Asst. Position, Shuttered Venues Operating Grant, Contribution to Reserves	\$10.1M
4200 – Solid Waste	Community Garden Program, Update 2022 SW Budget Pandemic Assumptions	\$5.5M
4300 – Wastewater	Equipment Replacement, Financial Support	\$2.0M
4600 – Water	Additional Staff to Address Workforce Gaps Identified During Reorganization	\$1.2M
4700 – Power	Additional Staff to Address Workforce Gaps, Capital Projects, and Increased Development Activity, Workers Compensation Rate Update	\$2.5M

AMERICAN RESCUE PLAN ACT FUNDS

- In December, staff will report to Council on the implementation of projects and evaluate additional allocation of remaining funds.
- Staff will debrief with the Council and City leadership on the 2021 ARPA allocation process in order to improve upon our process for the \$30.5M distribution the City will receive in May 2022

Projects and Programs	Allocations as of October 2021
Affordable Housing and Homelessness	\$9.3 M
Restoration of Services	\$5.26 M
Livable Wage Jobs	\$4.57 M
Community Safety	\$2.75 M
Health	\$1.6 M
Belief and Trust	\$2.7 M
Major Project Reserve	\$4.32 M
TOTAL	\$30.5 M



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