

Mid Biennium Modification Briefing

November 14, 2023
Study Session
Office of Management & Budget



1

Purpose of Modification

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

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BIENNIAL
OPERATING & CAPITAL
BUDGET

2

2

General Fund Revenue Update

General Fund	Adopted 2023	Adopted 2024	Revised 2023	Revised 2024	Difference
Property Tax	\$67 M	\$68.5 M	\$67 M	\$68.5 M	-
Sales Tax (Ongoing)	\$72.8 M	\$74.3 M	\$70.4 M	\$71.8 M	(\$4.9 M)
Business Tax	\$59.5 M	\$61 M	\$62.4 M	\$61 M	\$2.8 M
Utility Tax	\$53.2 M	\$55 M	\$56.9 M	\$55 M	\$ 3.7 M
Licenses & Permits (Ongoing)	\$10 M	\$10.1 M	\$15 M	\$19 M	\$13.9 M
Other Revenues*	\$38.5 M	\$37.7 M	\$40.3 M	\$37.7 M	\$2.4 M
Total	\$301 M	\$306.6 M	\$312 M	\$313 M	\$18 M

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BIENNIAL
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BUDGET

3

3

Other Funds Revenue Update

Fund	2023 Jan- Sept Variance/ % Variance
Permitting - 4110	\$1.8 M ; +13.2%
Parking - 4140	\$0.8 M ; +27.0%
Convention Center - 4165	\$1.0 M ; +10.8%
1/10 1% Sales Taxes (MHCD, Streets Initiative, Tacoma Creates, Affordable Housing)	(\$0.2 M) ; -3.3%
Tacoma Dome - 4180	(\$1.6 M) ; -17.2%
Real Estate Excise Tax (REET)	(\$2.6 M) ; -28.2%

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BIENNIAL
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BUDGET

4

4

Expense Considerations

- Council Priority Areas - Commitments made through Council action, policy direction, and budget development, such as:
 - Alternative Response Models
 - Affordable Housing and Homelessness (including Emergency Sheltering)
 - Follow up to Business discussions at Economic Development Committee
 - Climate Action Plan
 - Changes in Service Needs – Permit Timelines
 - Council Motion Regarding American Rescue Plan Act Savings
- Expense Trends, Risks, and Other Considerations
- Corrections and Rejections - in General Fund, savings from Jail Contract (\$4.8 M) and non-departmental corrections and updates (\$2M)

5

5

Community Safety

The Current 2023-2024 Budget includes over **\$372 M** for programs related to Community Safety

Major Initiatives Include

- 24/7 Staffing for Crime Scene Services
- Safety and Community Support in Libraries

Modification Adds

- Community Service Officers (+12 FTE, \$2.2 M)
- Continue and Expand HOPE Team Services (\$1.5 M)
- Police Overtime for 2023 and 2024 - crime response plan, street racing emphasis patrols, and shift coverage - (\$6.5 M)
- Fire Overtime and Adding Cross-Shift Rover Program (+24 FTE, \$9.5 M)
- Police Hiring Incentives, Equipment, and Contracts - lateral officer incentives, dash cameras, board up, tows (\$1.6 M)
- Fire Leave Severance Payouts (\$0.9 M)
- Purchase of Fire Engine (\$0.7 M)
- Video Redactions Support in Public Records Office (+ 2 FTE, \$0.23 M)
- Community Safety Action Strategy (\$210k)

6

6

Public Safety Overtime Drivers

Public Safety-Wide

- Minimum Staffing
 - 24/7/365
- Unplanned Leave
 - On-the-Job Injury Leave (OJI)
 - Paid Family Medical Leave (PFML) & Family and Medical Leave (FMLA)
 - Sick Leave Usage
- Length and frequency of academies
- Retirements

Fire-Specific

- Minimum Staffing; including Basic Life Support Transport Staffing
 - Added 70 budgeted commissioned positions, over half are still vacant
- Fiscal Impact of Rovers and Overtime (\$9.5 M)

Police-Specific

- Minimum Staffing
 - 26 commissioned vacancies
- Crime Response approaches
 - Crime Reduction Plan
 - Street Racing Emphasis
- Fiscal Impact of Overtime for Crime Response (\$6.5M)



7

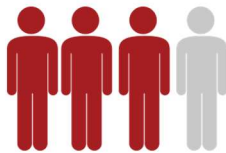
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Fire Minimum Staffing

Issue: Three Positions on Four Shifts for Engine/Ladder Staffing

75-80% Productive*

Vacation & Holidays
Unplanned Leave Usage



* Pre-pandemic numbers

2016-2018
123 hours/year



Average unplanned leave (Sick, OJI, PFML & FMLA) per commissioned FTE.

2021-2023
199 hours/year +61%



Options: Fill in with Overtime, Rovers, or Reduce Service Levels



8

8

Productive Time Impact & Strategy

Issue

- Increased OJI claims and hours
- Increased Sick Leave usage
- Increased utilization of FMLA
- Added PFML benefit (2020)
- Increased number of staff on Special or Transitional Assignment
 - Associated with back-to-back recruit classes and OJI increase

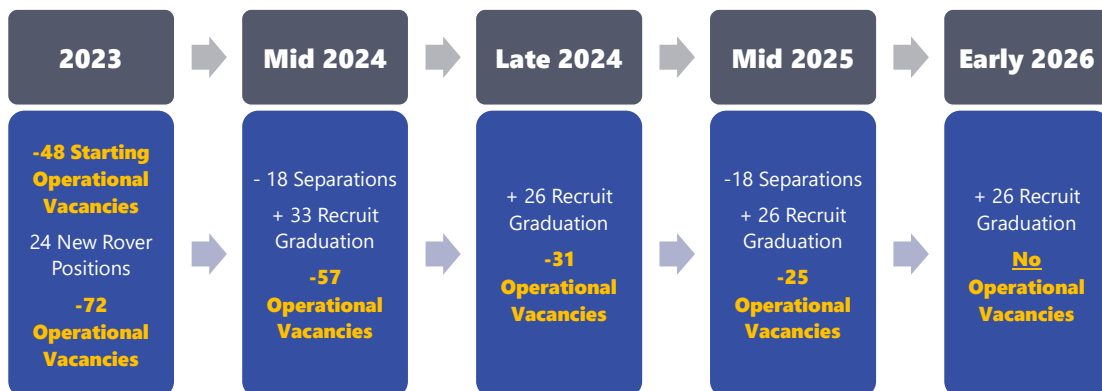
Recommended Strategies

- Add Rover positions to the General Fund (temporarily funded by EMS)
- Increase overtime budget in General Fund and EMS Fund
- Evaluate throughout 2024

9

9

Timeline to Full Fire Operations Staffing

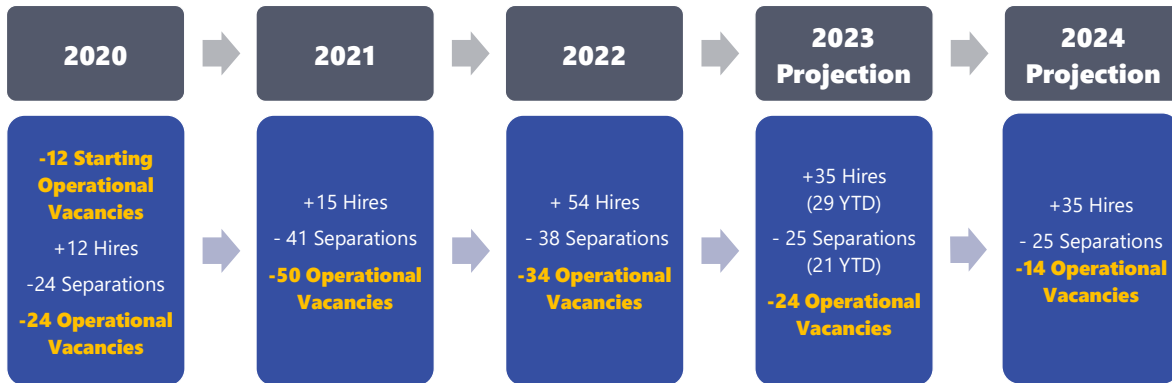


10

10

Timeline for Police Operations Staffing

Commissioned Officers



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BUDGET

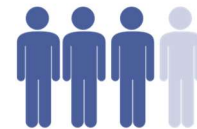
11

11

Police Minimum Staffing

Issue - Shifts: 22 Primary Call Answerers 24/7/365

- Planned Leave
- Unplanned Leave - Up 13.4% in 2021-2023 compared to 2016-2018
 - On-the-Job Injury Leave (OJI), Paid Family Medical Leave (PFML) & Family and Medical Leave (FMLA), Sick Leave Usage
- Retirements
- Training Time
 - Entry Level vs. Laterals
 - Criminal Justice Training Center (CJTC) Mandated Training



Options: Overtime to fill sector coverage, fill positions, and/or reduce service levels

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12

12

Recommended Strategies for Minimum Staffing

- Continue minimum staffing coverage through use of overtime
 - Continue to manage overtime usage in accordance with union and department policies
- Hire patrol positions, recruit of lateral, and retain



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13

13

Crime Response Strategies

Crime Plan	<ul style="list-style-type: none"> • Addresses trend of increasing violent related crimes • Requires off-duty staffing, which ensures hot spot fidelity • 2,523 shifts with 98.1% fidelity for 120 locations
Property Crime Taskforce	<ul style="list-style-type: none"> • Address the trend of increasing property related crimes • Requires off-duty staffing to dedicate to property crimes • 400 cases assigned to the taskforce
Racing and Speeding	<ul style="list-style-type: none"> • Address dangers associated with street racing • Other jurisdictions see Tacoma as a leader in addressing issue due to this tactic • Over 80 street racing emphases operations

Violent Offenses Down 22.2% or 575 Offenses Year to Date
Property Crime Down 22.4% or 3,180 Offenses Year to Date
Homicide Clearance Rate of 92%
Arrests Up 6.3%, Weapons Arrests Up 61.2%, Drug Arrests up 22.9%

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BIENNIAL
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BUDGET

14

14

Crime Response Staffing Recommendation

- Continue Crime Response Strategies in response to community issues
- Due to minimum staffing issues and current vacancies, continue to use overtime
- Apply for grants to offset the costs
- As the department reaches full staffing, reduce use of overtime to address high priority community issues



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BIENNIAL
OPERATING & CAPITAL
BUDGET

15

15

Affordable Housing and Homelessness

The Current 2023-2024 Budget includes over **\$101 M** for programs related to Affordable Housing and Homelessness

Major Initiatives Include

- Maintain Emergency and Temporary Sheltering Capacity
- Acquire Land for Development of Affordable Housing
- Help Tacoma Residents with Down Payment Assistance
- Expand Tacoma Rescue Mission Shelter

Modification Adds

- Maintain Emergency Sheltering - Extend Current Service Through December 2024 (\$1.4 M)
 - Ongoing Funding Would Add \$10-12M to 2025-2026 Budget
- Tacoma Probono (\$240k) and Outreach Materials for Rental Housing Code (\$30k)
- Enhanced Support for Permit Services to Speed Up Permit Processing (+5 FTE, \$653k)
- Home In Tacoma Engagement, Language Access, and Notifications (\$150k)
- Implement Home In Tacoma Phase 2 (+3FTE, \$400k)
- ADU Accelerator (\$250k)
- Searchable Building Code, Communication and Engagement and Other Supplies for Permitting Services (\$255k)

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16

16

Access

The Adopted 2023-2024 Budget includes over **\$457 M** related to Access

Major Initiatives include

- Public Works Capital grant Match and Capital Project Escalation
- Deferred Repair and Replacement Program
- Safe Routes to School Improvement Program Funding
- Unfit Unsafe Sidewalk Program Funding
- Vision Zero Coordinator and Vision Zero Action Plan Implementation

Modification Adds

- Contribution to WSDOT for SR-167 (\$500k)
- Whole Child Late Night Safe Zones 2024 (\$300k)
- Tacoma Dome Strategic Feasibility Study for Facilities (\$250k)
- Link Rides Partnership with Tacoma Venues and Events (\$300k)
- Main Remodel (\$2.95M)
 - Dept of Commerce Grant
 - Trust Fund Contributions
- News Photography Archives: NHPRC Grant (\$126k)
- Tacoma Reads (\$45k)
 - Ongoing General Fund Support
 - Tacoma Reads Verizon/TPL Foundation Grant
- Video Game Collection Launch (\$40k)

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BIENNIAL

OPERATING & CAPITAL

BUDGET

17

17

Health

The Current 2023-2024 Budget includes over **\$284 M** related to Health

Major Initiatives include

- Implementation of the Climate Action Plan - Including Sea level Rise Master Planning, Grant applications, Climate emergency response
- Tidy Up Tacoma Litter and Debris response
- Maintain Food Insecurity Service Levels

Modification Adds

- Climate Action Plan (\$405k)
 - Climate Resilience Program (+1 FTE, \$140,000)
 - Landscape Architect Review (+1 FTE, \$165,000)
 - Climate Action Plan - Trees and Construction Operations Manual (\$100,000)
- Communities for Healthy Bay Commencement Bay Monitoring 2024 (\$64,000)
- Health Impact Assessments (HIAs) – South Tacoma and Tideflats (\$200,000)
- Make Environmental Education for Waste Prevention Permanent Program
- Library Solar Feasibility: Dept. Of Commerce Grant (\$95k)

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BIENNIAL

OPERATING & CAPITAL

BUDGET

18

18

Other Modification Adds

- SAP Now
 - Information Technology Costs (\$5.2 M)
 - SAP Customer Relations Replacement (\$1M)
 - Finance Department Support and Consultant (+2 FTE, \$459k)
 - Environmental Services Support (+1 FTE, \$125k)
- Liability Fund Contributions (\$1.5 M)
- Finance Data Analytics (+3 FTE, \$435k)
- Paralegal Support in Civil Division (+1 FTE, \$102k)
- Vehicle and Equipment Shop Support (+1 FTE, 92k)
- Demolish Foss Site 8 (\$360 k)
- Humane Society Contract for Animal Sheltering (\$316k)

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BIENNIAL
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BUDGET

19

19

Livable Wage Jobs

What we heard?

- Public Safety – Stop vandalism, property crime
- Homelessness – Reduce impact on businesses, employees and customers
- Permit and Zoning – speed up, simplify, reduce fees
- Economic Development – work in coordination to support and grow businesses
- Housing for Workforce – workers need access to affordable housing

What we are doing?

- Community Service Officers
- Crime Plan
- Community Safety Action Strategy
- HOPE Team
- Tidy Up Tacoma
- Window Replacement Program
- Emergency Sheltering Extensions
- Permit Processing Support and Improved Timelines
- Green Economy Study
- Business Climate Survey
- Home in Tacoma Phase 2

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BIENNIAL
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BUDGET

20

20

American Rescue Plan Act (ARPA) Updates

Projected Project Savings of approx. \$850 k

Related Projects	
Continuation of Temporary Emergency Shelter Sites (TEMS)	\$300 k
Update Transportation Master Plan	\$200 k
Tree Construction Manual	\$100 k
Window Replacement Program	\$250 k
Total	\$850 k

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BIENNIAL
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BUDGET

21

21

Risks and Considerations

- Financial Sustainability – Structural deficit projected for 2025-2026 and beyond
- Economy – Continuation of Sales Tax Decline and Potential Risks for Business and Occupations Tax
- Emergency Sheltering Service Funding - Funded on a One-Time basis in 2023-2024
- Liability Risk

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22

22

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