



BIENNIAL BUDGET UPDATE through April 2005

City of Tacoma
City Council Study Session
June 7, 2005

Office of Management, Budget & Analysis

Overview

- General Fund revenues are on target
- General Fund department's expenditures are also on target
- Current forecasted under spending may not be realized due to:
 - Cyclical spending patterns
 - Capital purchases
 - Historical spending patterns are still being developed for Library and Streets (now in the General Fund)

2005-2006 Budget

Beginning Cash Balance	\$ 8,894,204
Cash for Re-appropriations	<u>\$ 3,064,608</u>
Total Cash	\$11,958,812
Budgeted Revenues	<u>\$349,025,946</u>
Total Sources	\$360,984,758
Total Budgeted Expenditures	\$360,984,758

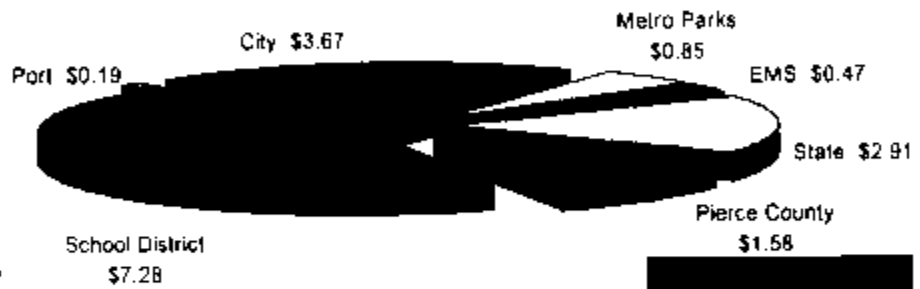
General Fund Revenues

	<u>Budgeted Revenue</u>	<u>Actual Rec'd Thru April 2005</u>	<u>Projected Revenues</u>	<u>Projected Variance</u>
Property Tax	78,821,900	2,821,588	2,443,556	178,012
Sales Tax	79,096,700	12,628,042	12,632,151	(6,109)
B & O Taxes	48,278,500	10,276,324	9,989,531	286,793
Excise Tax	24,156,000	4,249,148	4,236,710	12,438
Utility Tax	84,043,000	11,630,226	11,651,518	(21,292)
Other Taxes	5,471,500	1,101,057	1,088,167	12,890
Licenses & Permits	10,872,896	2,471,964	2,658,881	(186,917)
State Shared Revenue	18,219,200	2,966,392	2,899,957	86,435
Charges for Services	5,187,150	925,871	763,904	161,967
Fines & Forfeitures	6,883,900	1,059,410	1,171,401	(101,991)
Miscellaneous Revenue	8,181,100	587,028	983,325	(386,297)
Transfer-in	<u>1,856,000</u>	-	-	-
Total Revenue	349,025,946	50,655,030	50,619,101	35,929
Beginning Cash	<u>11,958,812</u>			
Totals	360,984,758			

Property Tax Levy (within City of Tacoma)

For Collection in 2005

Assessed Valuation - \$13,212,370,610



Total Tax per thousand \$16.95

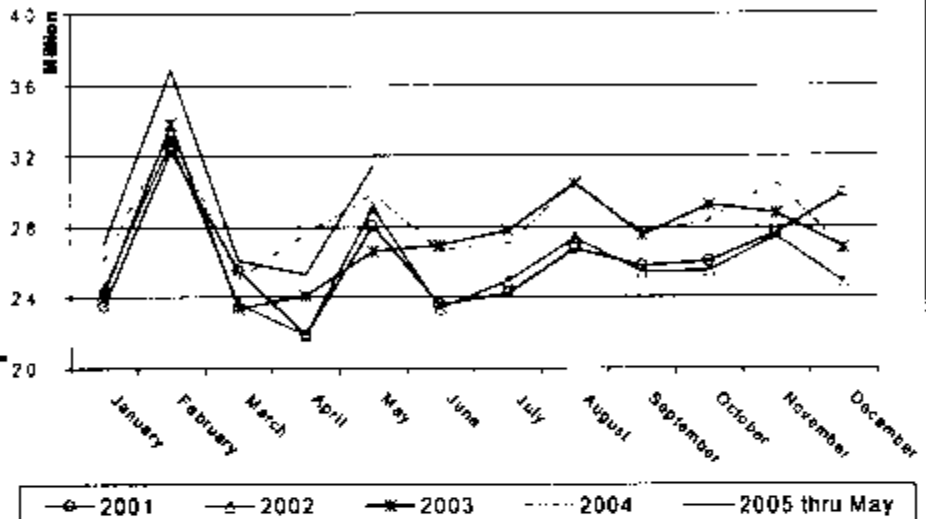
Information certified from: Tacoma Planning and Public Works

City of Tacoma Tax Breakdown Comparison

	2004	2005 Estimated as of 11/04	2005 Certified Amounts
Voted Debt	.4548	.4422	.4262
Inside Levy	.3177	.2987	.3000
EMS Levy	.4848	.4669	.4688
Fire Pension	.2250	.2250	.2250
General Fund	2.8068	2.7052	2.7144
Total	\$4.2891	\$4.1380	\$4.1344

Per \$1,000 of assessed valuation

Monthly Sales Tax Revenues



General Fund Expenditures

	2005-2006 Budget	Jan - Apr 2005 YTD	Projected YTD	Variance +/-
Legislative	1,646,304	311,368	247,933	(83,435)
City Manager	821,362	99,085	144,808	45,721
Municipal Court	8,840,025	1,379,977	1,199,591	(180,386)
Legal	5,517,383	816,415	876,160	259,745
Human Resources	1,979,329	348,080	312,536	(35,544)
Hearing Examiner	683,120	96,773	107,728	10,955
General Services	8,029,921	691,537	880,619	199,082
HR & HS	9,435,345	1,084,890	1,101,105	16,215
Finance	6,164,930	917,487	1,012,282	94,795
Govt Relations	263,841	47,290	44,325	(2,965)
TEDO	8,873,460	1,185,391	1,261,328	95,937
OMBA	872,632	83,214	89,328	6,112
Police	116,347,282	18,755,562	19,080,956	325,394
Fire	78,892,869	12,834,688	12,805,631	(27,045)
Library	21,016,877	3,204,706	3,366,743	162,037
PW/Eng. Constn Sls	32,588,782	5,072,800	5,455,024	382,224
PW/Admin BLUS	13,652,443	2,207,826	2,259,479	51,653
Non-Departmental	15,422,856	1,241,448	1,991,081	749,633
Inter-fund Transfers	19,629,007	3,193,007	3,237,486	44,459
Outside Agencies	12,710,000	1,960,626	2,124,241	163,615
TOTALS	360,984,758	66,132,188	67,728,370	2,596,202

Projection Summary

➤	Revenue (exceeding budget)	\$ 35,929
➤	Expenditures (under spending)	<u>\$2,596,202</u>
	Total	\$2,632,131

What does the \$2,632,131 mean?

➤	City Manager	\$ 45,721
➤	Legal	\$ 259,745
➤	General Services	\$ 199,082
➤	Police	\$ 325,394
➤	Fire	\$ 270,945
➤	Library	\$ 162,037
➤	Public Works	\$ 433,877
➤	Non-Departmental	\$ 957,717

Potential Costs

➤	Thea Foss Clean-up <small>(pending the results from EPA Action)</small>	Unknown
➤	Citizen Police Oversight	\$ 300,000
➤	Pending litigation	\$ 1,325,000
➤	Animal Control/Licensing (2006)	\$800,000 - \$1,000,000
➤	Police (no 2006 reduction in force)	\$ 905,000
➤	Fire (no 2006 reduction in force)	\$1,165,600
➤	Family Justice Center (2006 funding)	\$ 230,000
➤	COLA	???

- April CPI - 3.8%
- 2006 Budgeted CPI - 2.0%
- June CPI - 2.8%* or higher

* OMBA estimate actual published the end of July



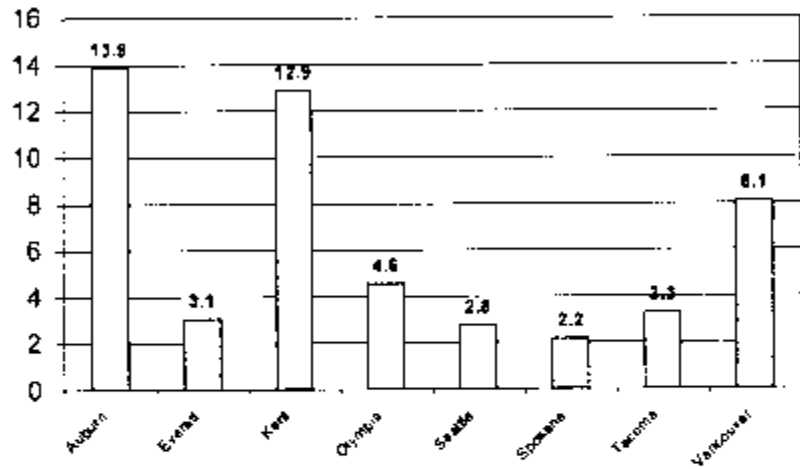
Economic Update

Economy

- GDP will ease to a moderate 3.0% in 2006
(mature stage in the expansion cycle)
 - 2005 - 3.5% GDP growth
 - 2004 - 4.4% GDP growth
- Consumer spending will slow to 3.2% in 2006, from 3.5% in 2005
- Business spending growth will decelerate to 7% in 2006 from 11% in 2005
- Slower growth improved the chances of keeping inflation from spinning out of control

Taxable Retail Sales by City

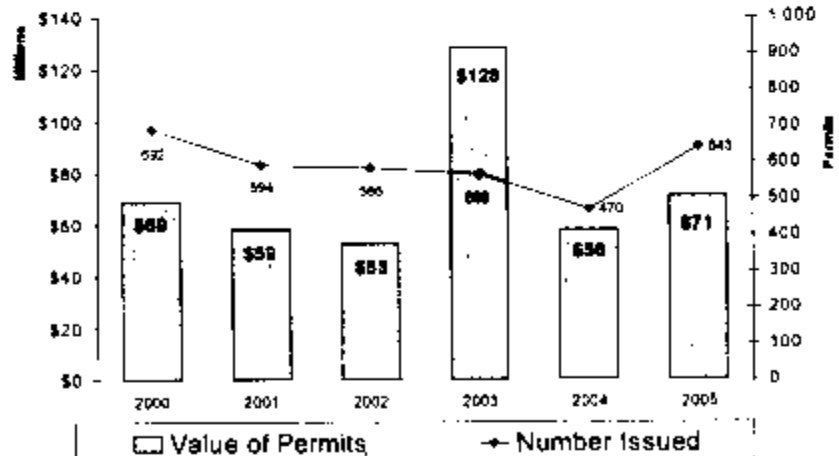
Percentage Change 2003 to 2004



Economic Activity

Value of Permits Issued

Jan - March (1st Quarter)



Permit Detail

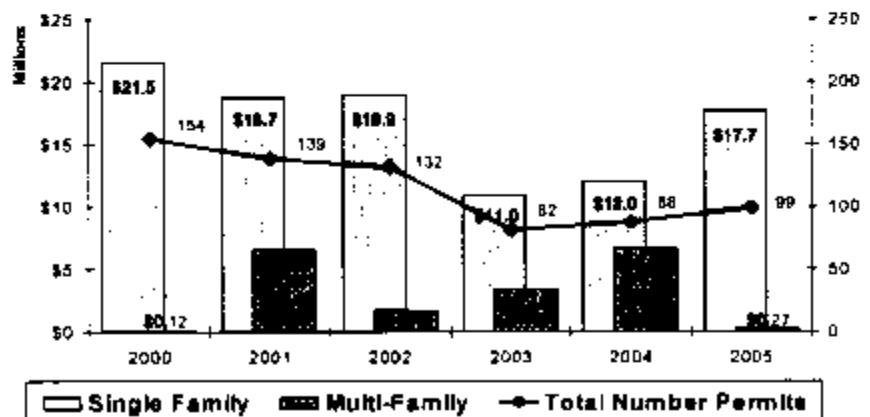
Jan - March (1st Quarter)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Residential	20,631,312	14,399,705	18,709,522	17,957,175
Business - Private	1,514,741	15,127,898	8,342,708	13,906,685
Business - Public Sector	14,801,286	66,094,776	5,994,964	12,655,067
Demolitions	4,239,850	1,542,271	249,300	1,357,200
Grading & Filling *	186,680	12,387,200	80,500	1,012,000
Non-Residential - Alter	6,990,590	13,777,691	13,242,443	17,351,102
Residential - Alter	1,941,401	2,130,768	2,930,607	3,596,786
Other	<u>2,224,127</u>	<u>2,861,828</u>	<u>6,547,664</u>	<u>3,258,534</u>
	52,529,987	126,321,937	58,097,708	71,094,551

* Public Sector-Port of Tacoma

Housing Permits Issued

Single Family & Multi-Family
(Jan-Mar)

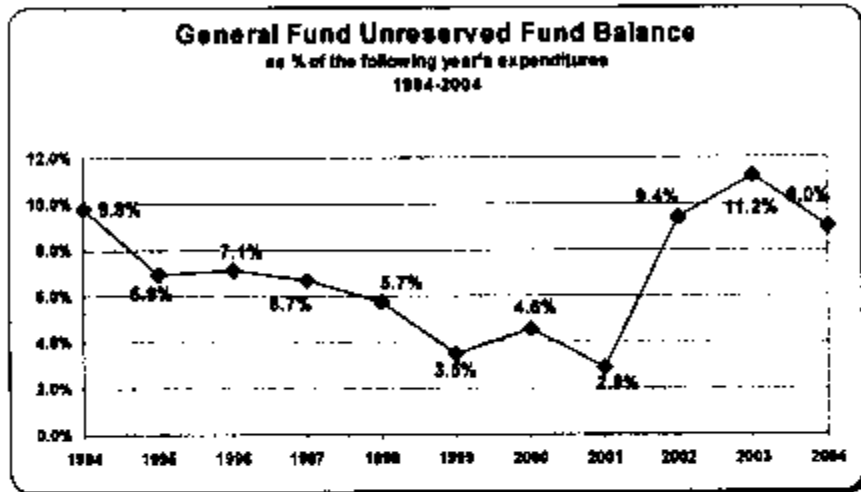


Summary

- Continue to closely monitor the changes in the economy and the potential impact on Tacoma
- General Fund forecasts are as expected
- Next update will be in August



Financial Stability



City of Tacoma General Fund Forecast

Revenue Category	2006-2006		
	Original	2007/2006	2009/2010
Property Taxes	\$78,821,900	\$83,533,900	\$88,417,600
Sales Tax	79,098,700	85,601,700	92,584,400
Business Taxes	70,732,500	72,539,900	64,620,700
Utility Taxes	85,743,000	69,873,600	74,228,200
Other Taxes	5,471,500	4,788,500	5,308,700
Licenses & Permits	10,873,198	11,389,700	11,932,600
Intergovernmental Revenue	15,705,700	15,616,762	17,121,476
Charges For Service	5,070,750	5,224,500	5,423,400
Fines & Forfeitures	6,880,100	8,911,800	8,898,300
Misc Revenues	5,411,100	5,486,800	5,221,300
Transfer Ins	1,856,000	1,858,200	1,856,200
Other- Sale of Assets	1,660,000		
Cash Balance	8,894,204		
Total Planned Revenues	\$356,106,650	\$364,821,362	\$376,590,876
Total Planned Expenditures	\$356,106,650	\$378,834,827	\$399,611,548
Budget Gap	\$0	(\$14,013,265)	(\$23,020,670)

Future Components

- Historical analysis of General Fund revenues and expenditures
- Tacoma's employment history
- Breakthrough change impacts on the General Fund