



City Council Budget Workshop Minutes

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Tacoma Municipal Building North, Room 16, 733 Market Street, Tacoma, Washington 98402

October 23, 2004

Mayor Baarsma called the Budget Workshop to order at 8:12 a.m.

Council Members Present: 8 ~ Anderson, Evans, Lonergan, Manthou, Stenger, Phelps, Talbert, and Mayor Baarsma.

Council Members Absent: 1 ~ Ladenburg (Council Member Ladenburg arrived at 8:15 a.m.)

Mayor Baarsma stated that the objective of this Budget Workshop was to hear a presentation from the City Manager on the proposed 2005-2006 Budget.

(Council Member Ladenburg arrived here.)

City Manager Jim Walton provided a brief history of previous budget challenges and the impacts resulting from initiatives and economic cycles. He stated that the present challenge facing the Council was a permanent reduction in revenues available for public services and that historical service levels could not be maintained in the future. He stated that the intent of the budget development process was to take a service reduction approach instead of using the past practice of across-the-board reductions.

Mr. Rod Kerslake, Hearing Examiner, described the budget review process and the methods for evaluating funding requests.

Ms. Diane Supler, Manager of the Office of Management, Budget and Analysis, distributed worksheets listing services that could be accomplished with no incremental or added cost to the City and services that were not being recommended for funding. She also distributed departmental impact statements describing the long-term impact of reduced levels of funding and additional documents providing the pricing of services for General Government programs and services by strategic area. A summary of the budget was the final document presented to Council.

Council Members asked questions for clarification and staff provided responses.

Mayor Baarsma called for a brief break at 9:39 a.m. He called the Budget Workshop back to order at 10:00 a.m.

Ms. Supler invited Mr. Steve Marcotte, Finance Department Director, to review revenue enhancement options and increases to determine whether staff would need to bring additional recommendations before Council.

Mr. Marcotte reviewed various revenue proposals, including an increase in the B&O Sales Tax, the elimination of the jobs credit program, increasing various other fees, and imposing the B&O tax on internet service providers (ISPs). He stated that new revenue options not included in the proposed budget included a levy lid lift and imposing the B&O tax on non-profit hospitals.

Mr. Marcotte answered questions from Council Members regarding fiscal terminology, Municipal Code limitations, maintaining a competitive economic development position, and the anticipated benefits of increasing certain types of fees.

Mr. Walton distributed additional information showing the proposed General Fund budget and its impact on the number of full-time employee positions by department.

General discussion followed on strategies for minimizing layoffs and the upcoming Library budget meetings to discuss the impact of the proposed reduction in funding for the 2005-2006 biennium.

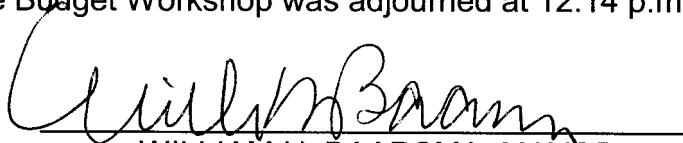
Mr. Walton concluded the budget presentation by noting that the intent of this budget process was to present a holistic view of City government as a mission driven organization based on its strategic plan. He acknowledged the financial struggles of the last four years and the efforts to sustain existing service levels and noted that revenue forecasts for the next few years will not provide any relief. Mr. Walton then described his vision for realigning the organizational structure, maximizing the City's investment in the new computer system, moving forward with Phase II of the performance management system, and developing the organizational discipline to make and adhere to unpopular decisions.

Council Members thanked Mr. Walton for the presentation and encouraged citizens to forward their comments to the Council.

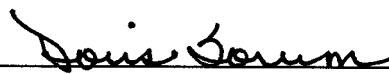
Mr. Walton suggested establishing an on-line survey for citizen feedback.

Discussion followed on the nature of the survey.

There being no further business, the Budget Workshop was adjourned at 12:14 p.m.


WILLIAM H. BAARSMA, MAYOR

ATTEST:


DORIS SORUM, CITY CLERK