

# Tumwater Finances

## All-Staff Meeting

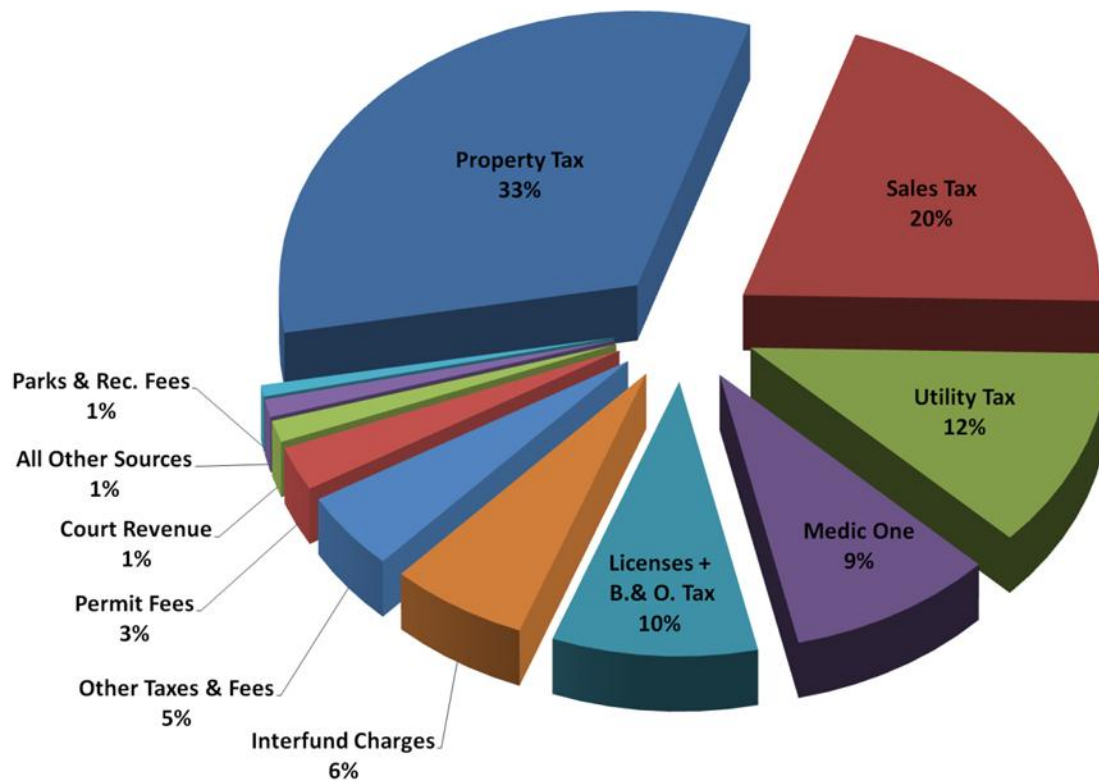


October 5, 2011

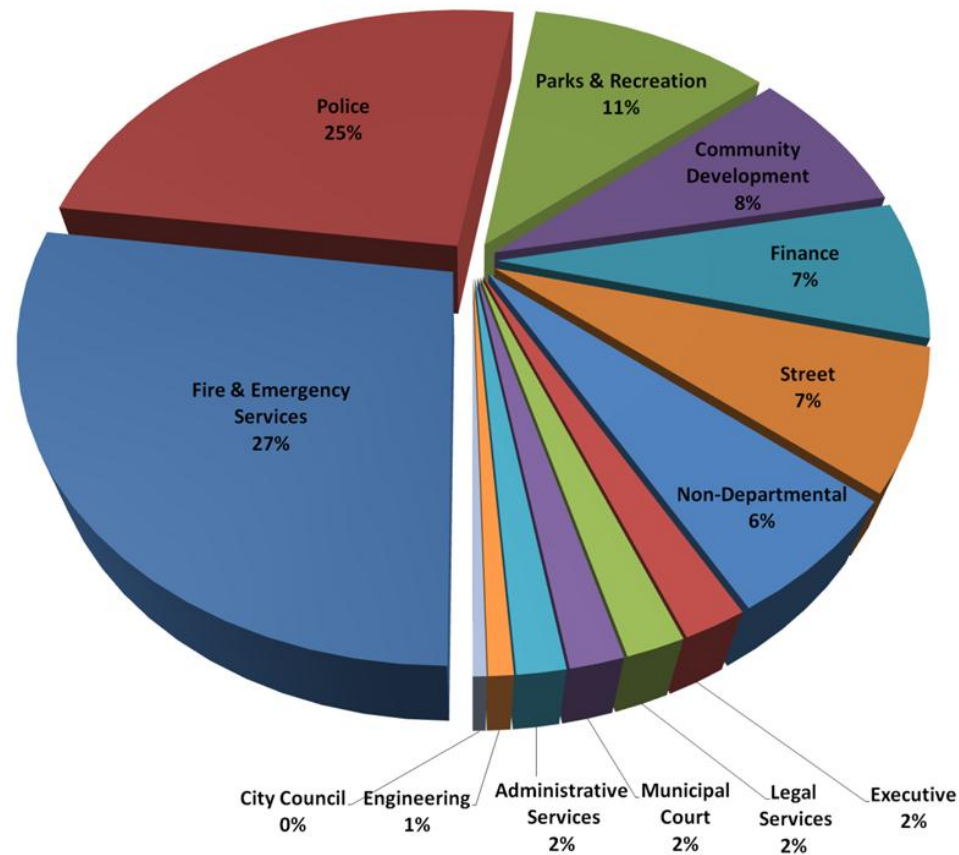
# City Budget

- ∞ Total budget: \$103,890,415
- ∞ General Fund: \$40,154,781
  - Cost of employees: \$26,841,799 (73%)
- ∞ Other Funds:
  - Combined utilities: \$36,381,714
  - Other funds: reserves, drug fund, lodging tax, Barnes Lake, capital facility plans, golf course, equipment

# 2012 General Fund Revenue



# 2012 General Fund Expenditures



# What Drives the City Budget?

- ☞ Property Tax – 1% increase limit + new construction
  - Maintain values, new construction, VALUE
- ☞ Retail sales tax in the long-term/Construction one-time
  - Key is growing retail sales
  - No cap
- ☞ B & O Tax
  - Major business activity
- ☞ Utility Tax
  - Weather primarily
- ☞ Medic One
- ☞ Fees, fines, rates/connections (utilities)
- ☞ Charges for services: permits and parks

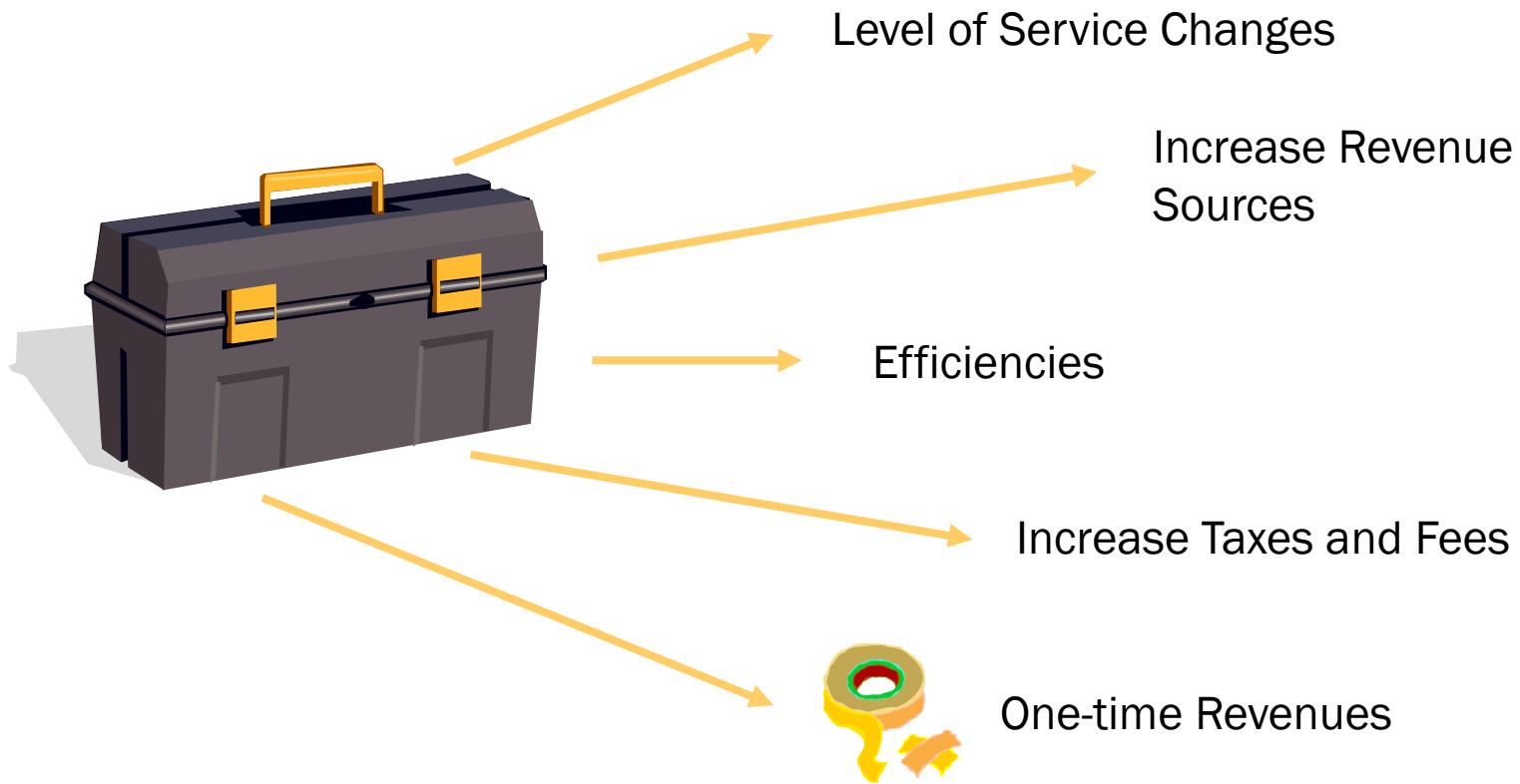
# Economic Challenges

- Housing permit activity slow after early blip
- Minimal permit activity on the horizon
- State projected shortfall continues
- Staggering surplus of retail space in U.S.
- Consumer confidence still low
- Property and Assessed Values dropping (5.6% in City)
- Unemployment still high
- Federal, State and special construction/funding gone
- Nation debt issue causing cuts in federal programs, JBLM
- National gridlock impacting consumer/business mood
- State government last out of recession
- Adjusted to 'new normal'
- Inflation, thus CPI, rising

# What If.....

- ∞ In 2012:
  - Employee costs are about \$12 million
  - Medical costs up 11% this year: \$132,000
  - Pension costs up 3.6% this year: \$97,000
  - Misc. costs up: \$50,000
  - COLA of 2%: \$240,000
- ∞ Cost to do the same thing: \$519,000 increase in one year
- ∞ Requires:
  - 610 single family homes \$200,000 value
  - 1.1 Walmarts
  - Large car dealership
- ∞ Add ONE employee: approx. \$100,000
- ∞ Requires:
  - 125 single family homes
  - ¼ Walmart
  - Small car dealership or Mid-sized taxable retailer

# Financial Toolbox



# Things We are Doing.....

## ∞ Level of Service Changes

- Eliminated parks programs
- Library board
- **YOU CAN: Look for programs that are not needed**

## ∞ Increase Revenue Sources

- Brewery vision
- Economic development/marketing
- Permit Center improvements
- **YOU CAN: Make Tumwater Great!/Provide Great Service/Help businesses grow**

## ∞ Efficiencies

- Radio meter reading
- Energy efficiency
- **YOU CAN: Look for and propose efficiencies**

## ∞ Increase Taxes and Fees

- Levy Lid Lift of about 30%
- Water Utility Rate increase 5% per year
- **YOU CAN: Be Excellent so the community will see us as a good investment**