

Environmental Services Commission

City of Tacoma | Environmental Services Department

Environmental Services Commission

June 9, 2022

●●● Agenda



- Welcome
- Approval of Minutes
- Open Public Meetings Act Follow-up
- Baseline Budget for Next Biennium
- Other Items of Interest
- Adjournment



• • • Updates to Open Public Meetings Act

- Updates to OPMA effective June 9:
 - Accepted written public comment for 6/9 meeting
 - Public comment language added to ESC website
 - The public can subscribe to meeting notifications and can view agendas on website
- Potential amendment to by-laws (pending vote):
 - Future meetings: In-person, virtual, or hybrid
 - Public Comment: Written, oral, or both



Baseline Budget for Next Biennium

Presenter: Christina Curran, Assistant Division Manager

ES Rates & Budget

Email: ccurran@cityoftacoma.org

Phone: 253.691.9285

Budget Development Process



Jan - April

April – August*

August - November

Budget Clean-up

Six-Year Forecast

Proposal Approvals

Adopted Budget

ES Budget Growth



Fund	2021-2022 Adopted Budget*	2021-2022 Current Budget*	2023-2024 Baseline Budget*
Solid Waste	\$133 M	\$139 M	\$157 M
Wastewater	\$152 M	\$155 M	\$173 M
Stormwater	\$63 M	\$66 M	\$77 M

**Excludes capital budget*

ES Baseline Budget Impacts



Wastewater Operating Expenses				
Category	Growth in 21-22 Biennium (Adopted versus Current)	Projected Growth from 2022 Adopted to 2023	Projected Growth from 2023 Adopted to 2024	2021-2022 Current versus 2023-2024 Baseline
Personnel	1%	0%	5%	5%
Assessments	NA	12%	6%	17%
<i>GG Internal Service Costs</i>	NA	12%	5%	17%
<i>GG Internal Service Costs - IT</i>	NA	4%	9%	10%
<i>TPU Internal Service Costs</i>	NA	22%	4%	25%
Other	3%	12%	2%	15%
Total Change	2%	7%	3%	12%

Stormwater Operating Expenses				
Category	Growth in 21-22 Biennium (Adopted versus Current)	Projected Growth from 2022 Adopted to 2023	Projected Growth from 2023 Adopted to 2024	2021-2022 Current versus 2023-2024 Baseline
Personnel	3%	14%	5%	19%
Assessments	NA	23%	5%	27%
<i>GG Internal Service Costs</i>	NA	26%	6%	32%
<i>GG Internal Service Costs - IT</i>	NA	25%	7%	30%
<i>TPU Internal Service Costs</i>	NA	21%	4%	24%
Other	4%	12%	0%	8%
Total Change	3%	14%	2%	14%

ES Baseline Budget Impacts



Solid Waste Operating Expenses				
Category	Growth in 21-22 Biennium (Adopted versus Current)	Projected Growth from 2022 Adopted to 2023	Projected Growth from 2023 Adopted to 2024	2021-2022 Current versus 2023-2024 Baseline
Personnel	1%	3%	4%	6%
Assessments	NA	15%	5%	20%
<i>GG Internal Service Costs</i>	NA	9%	5%	14%
<i>GG Internal Service Costs - IT</i>	NA	19%	6%	26%
<i>TPU Internal Service Costs</i>	NA	22%	4%	24%
Other	7%	4%	3%	15%
Total Change	4%	5%	4%	12%

IT overall expenses only increased 16% from 21-22 Adopted to 23-24

TPU assessments include an increase of 16 FTEs

● ● ● Bill Credit Assistance Program PLUS



	Solid Waste	Wastewater	Stormwater		Solid Waste	Wastewater	Stormwater
Estimated Total Annual BCAP Plus Budget	196,807	254,842	124,274		406,734	578,559	248,547
Current Annual BCAP Budget	100,000	80,000	40,000		100,000	80,000	40,000
Difference (Needed Annual Increase)	96,807	174,842	84,274		306,734	498,559	208,547
	97%	219%	211%		307%	623%	521%
	2023	2023	2023		2025	2025	2025

Capital Cost Drivers



- Better data
 - Better understanding of current backlog and associated risk
 - Better understanding of assets and needs
- Increased costs
 - Inflation
 - More complex street restoration
 - Regulatory and design requirements
- Timing (system is aging)
- Growth



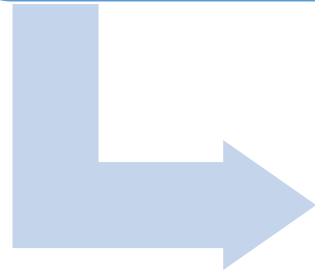
Planning for and addressing these increased costs will be a focus in the 2025-2026 rate cycle

Capital Cost Planning



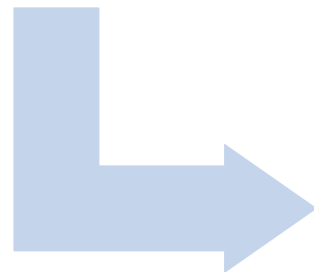
\$26M

- Delayed as part of reduced rates for 2021-2022 Adopted Budget



\$47M

- Additional delays added to respond to 2022 construction inflation



\$49M

- Recently added delays to stay within baseline budget CIP allocation

\$122 M
in delayed projects
since 2020



2021-2026 Six-Year Revenue Plan

Year	Solid Waste	Wastewater	Surface Water
2021	1.5%	1.5%	1.5%
2022	2.0%	2.0%	2.0%
2023	4.0%	4.0%	3.0%
2024	4.0%	4.0%	3.0%
2025	3.5%	4.0%	3.0%
2026	3.5%	4.0%	3.0%

*To help offset rate increases in out years, added \$15M in debt to Solid Waste and decreased Wastewater and Surface Water capital spending by \$26M.

2022 Financial Forecast



2023-2028 Preliminary* Six-Year Revenue Plan

Year	Solid Waste	Wastewater	Stormwater
2021	1.5%	1.5%	1.5%
2022	2.0%	2.0%	2.0%
2023	3.0 % (-1%)	7.0% (+3%)	5.0% (+2%)
2024	3.0 % (-1%)	7.0% (+3%)	5.0% (+2%)
2025	3.0 % (-0.5%)	6.0% (+2%)	4.0% (+1%)
2026	3.0 % (-0.5%)	6.0% (+2%)	4.0% (+1%)
2027	3.0 %	5.0%	3.5%
2028	3.0 %	5.0%	3.5%

**Subject to change based upon 2022 performance and updated 2023-2024 plan*

2022 Financial Forecast



2023-2028 Baseline Budget* Six-Year Revenue Plan

Year	Solid Waste	Wastewater	Stormwater
2021	1.5%	1.5%	1.5%
2022	2.0%	2.0%	2.0%
2023	3.0 % (-1%)	7.0% (+3%)	5.5% (+2%) (+0.5%)
2024	3.0 % (-1%)	7.0% (+3%)	5.5% (+2%) (+0.5%)
2025	3.0 % (-0.5%)	6.5% (+2%) (+0.5%)	4.5% (+1%) (+0.5%)
2026	3.0 % (-0.5%)	6.5% (+2%) (+0.5%)	4.5% (+1%) (+0.5%)
2027	3.0 %	6.0% (+1%)	4.0% (+0.5%)
2028	3.0 %	6.0% (+1%)	4.0% (+0.5%)

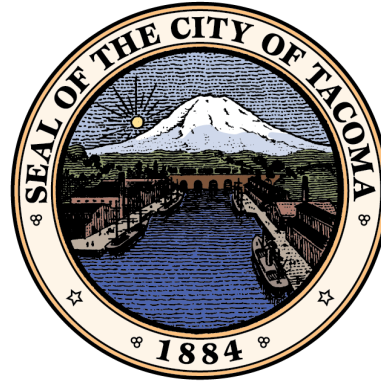
**Subject to change based upon 2022 performance and updated 2023-2024 plan*



Next Steps



- Updated 2023-2024 revenue requirement
 - Includes budget proposals
 - Environmental Services proposals
 - Internal Service proposals
- Report back to ESC July 14th
- Final revenue requirement and rates
August/September



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Next Meeting: Thursday, July 14, 2022