2017-2018
CITY OF
TACOMA

BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

2017-2018 CITY OF TACOMA

BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

Environmental Services

Michael P. Slevin III, P.E., Director

City Council Budget Worksession

October 18, 2016

Agenda

- Department Overview
  - Mission Statement and Organizational Structure
  - 2015-2016 Accomplishments
  - Goals
- 2017-2018 Budget
  - Budget Summary
  - Budget Proposals
  - Equity Lens

2017-2018
CITY OF
TACOMA

BIENNIAL BUDGET

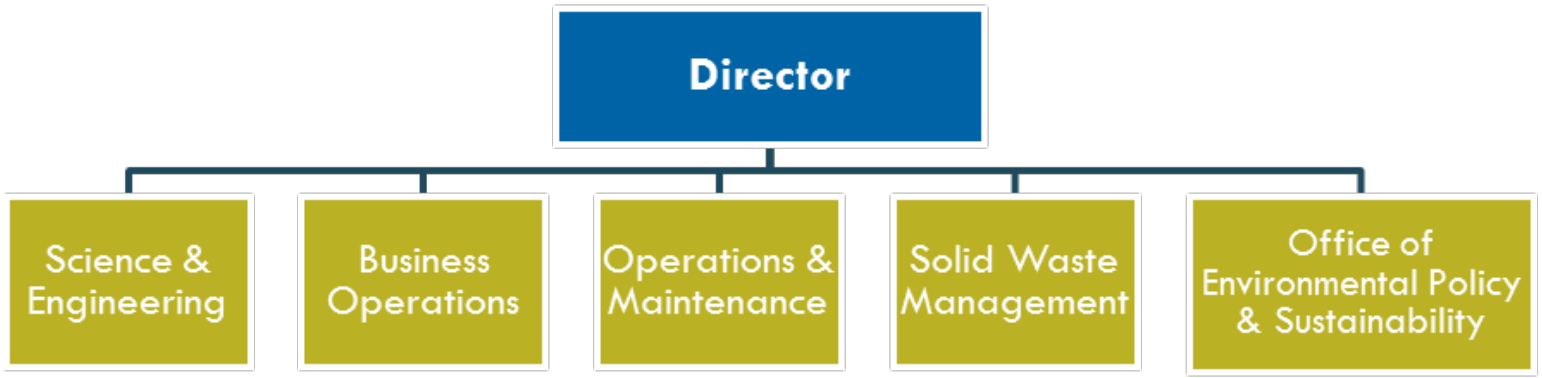
CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

Department Overview

Mission Statement

Provide sustainable and cost-effective management services to protect the environment, recover value from Tacoma's waste streams, and enhance the quality of life for citizens and ratepayers.

Organizational Structure



2015-2016 Accomplishments

- Residential Collection System, Gold, Collection Systems, Solid Waste Association of North America (SWANA)
- Dan Clark, National Waste and Recycling Association Driver of the Year, 2016
- Western Washington Clean Cities – 2015 Sustainable Commitment Award
- Moody's upgraded Solid Waste Utility Bond Rating
- Point Defiance Stormwater Treatment Facility, National Municipal Stormwater and Green Infrastructure Award for Innovation, Water Environment Federation

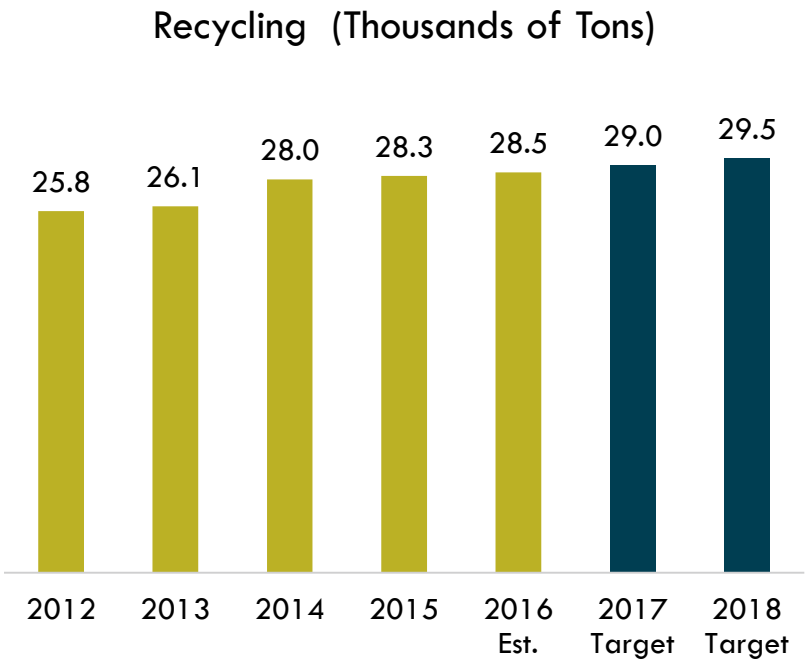
2015-2016 Accomplishments

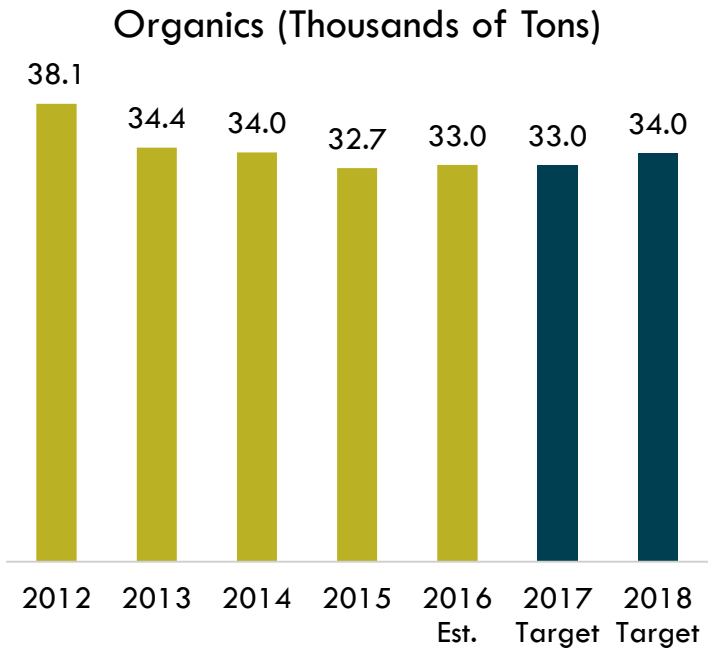
- Wastewater Utility, Utility of the Future Award, Water Environment Federation
- Central Treatment Plant (CTP), Governor's Award for Leadership in Energy Performance, Governor Jay Inslee
- CTP Floodwall named American Public Works Association National Project of the Year for Emergency/Disaster Preparedness, and Distinguished Project Award, Best Public Project Under $10 Million, Northwest Construction Consumer Council
- North End Treatment Plant and CTP, Platinum Peak Performance Award National Association of Clean Water Agencies

Goals

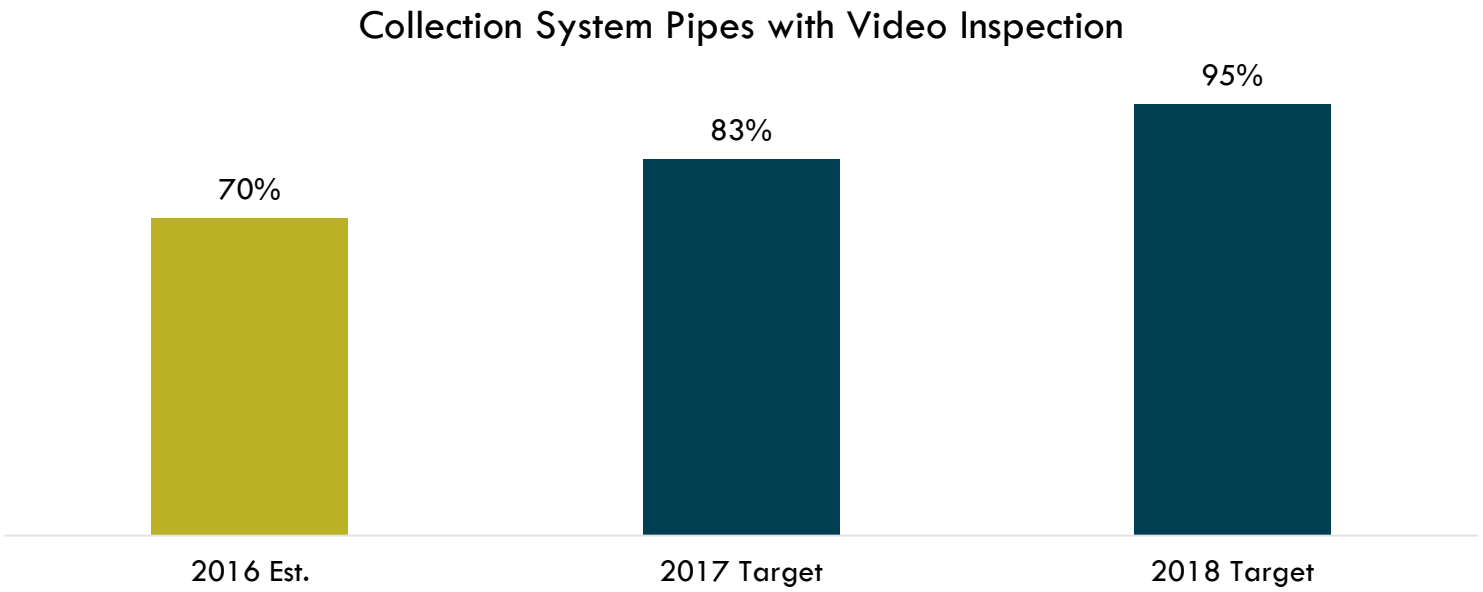
- Waste Diversion from Landfills
- Asset Management Plans for Storm Water and Wastewater Collection Systems
- Customer Satisfaction

Waste Diversion from Landfills





Asset Management Plans



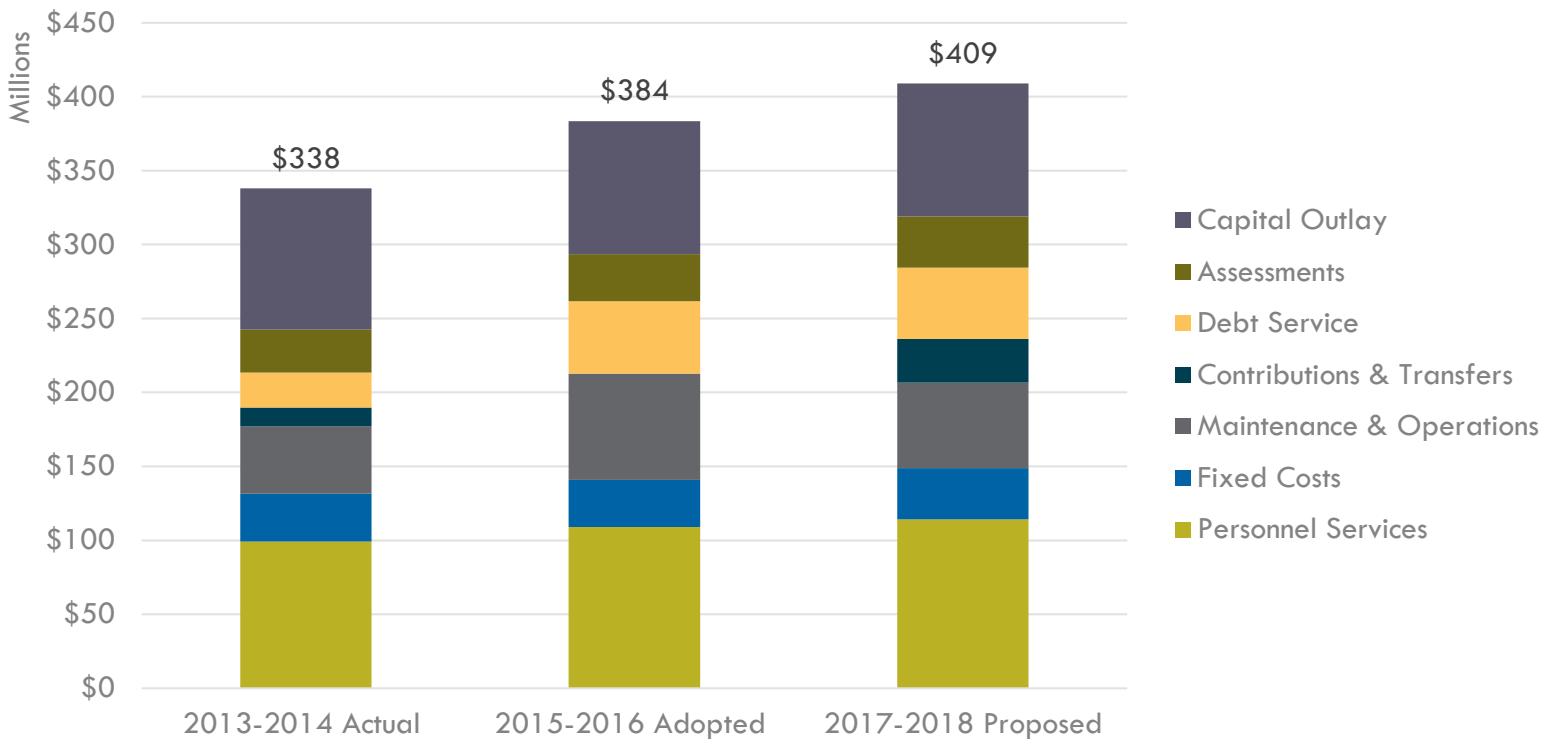
2017-2018 CITY OF TACOMA

BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

2017-2018 Budget Overview

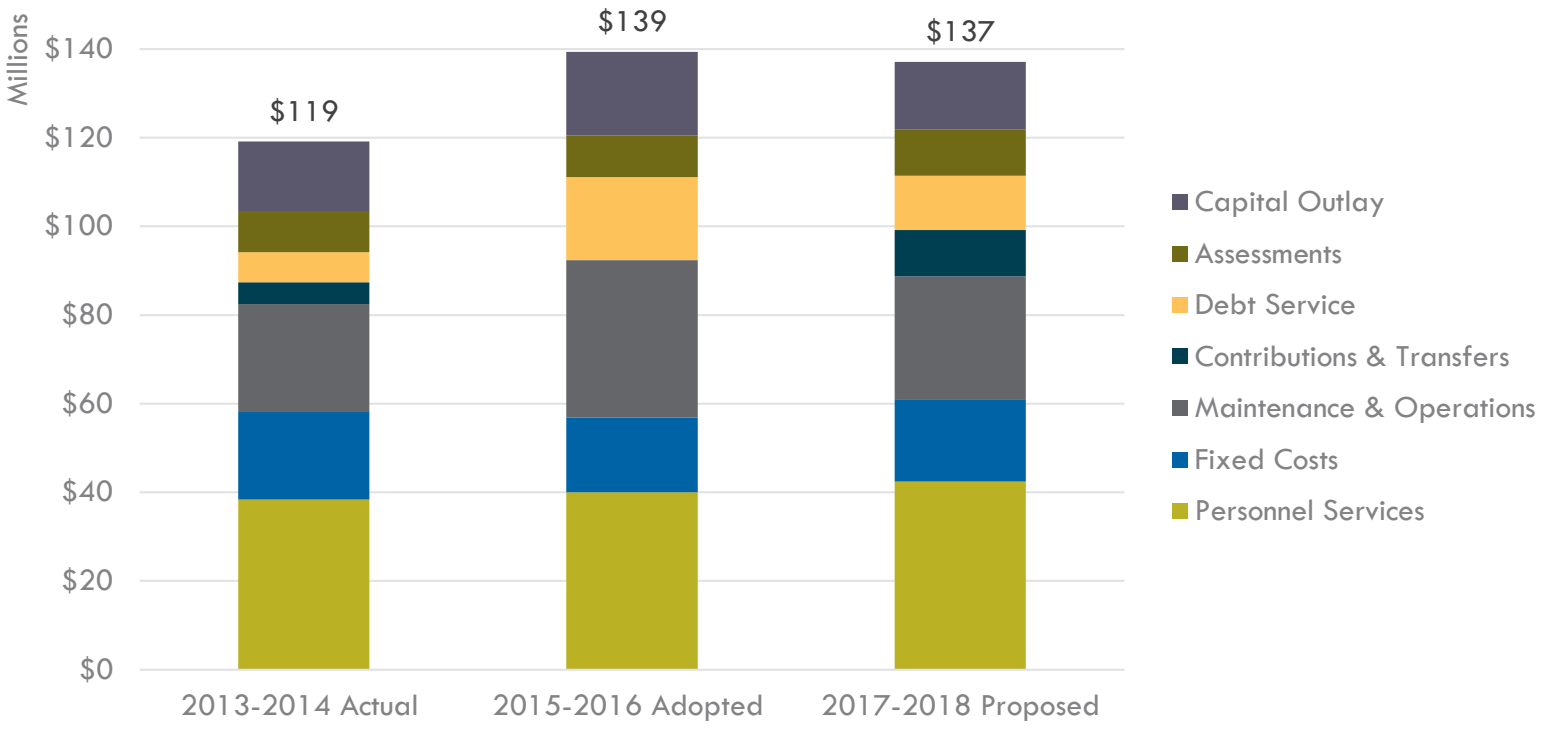
Budget Overview



FTE	545.4	535.6	519.8

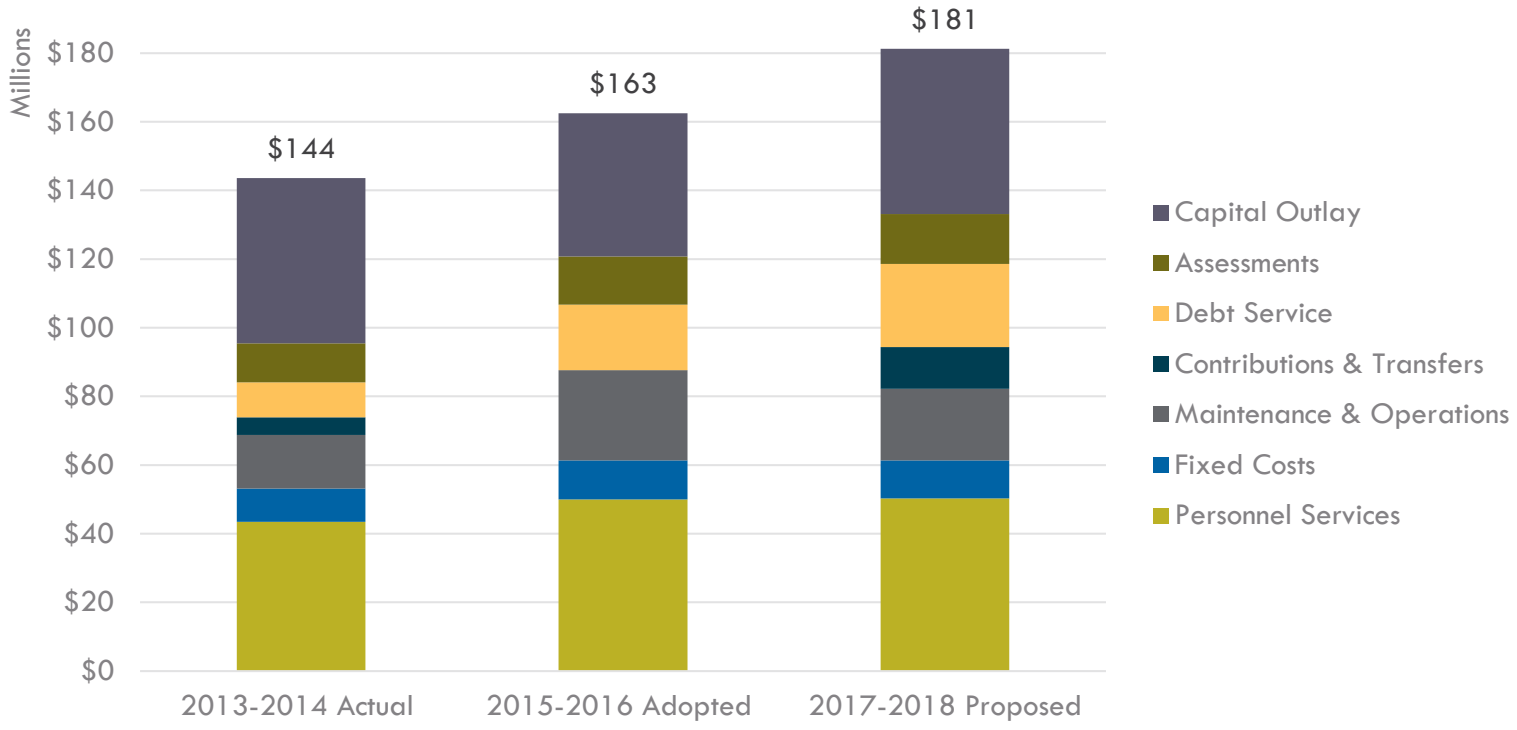
Contributions to Reserves are not included.

Solid Waste



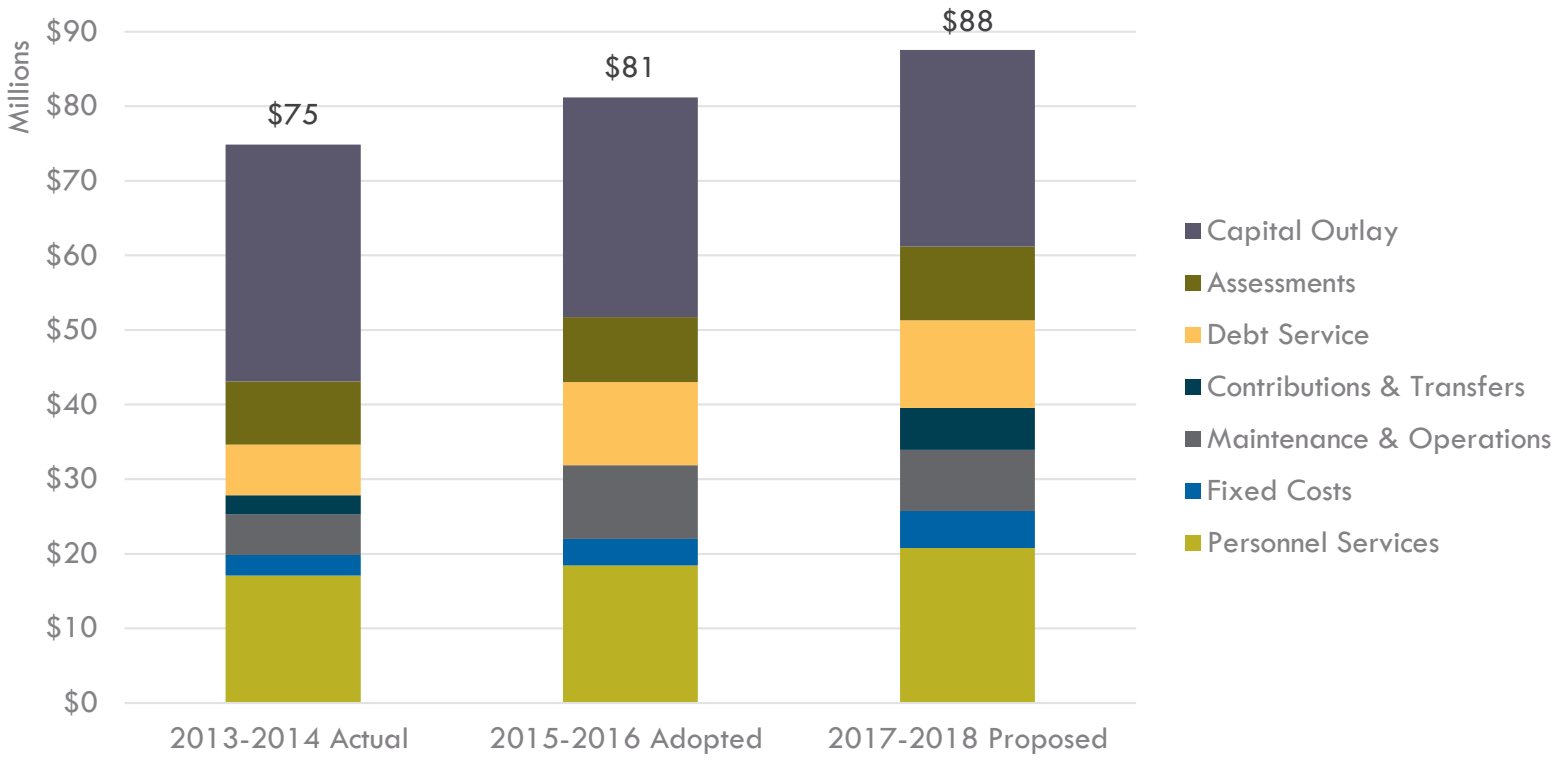
Graph shows total gross costs to the department.
Contributions to Reserves are not included

Wastewater



Contributions to Reserves are not included.

Surface Water



Contributions to Reserves are not included.

Debt Refinancing

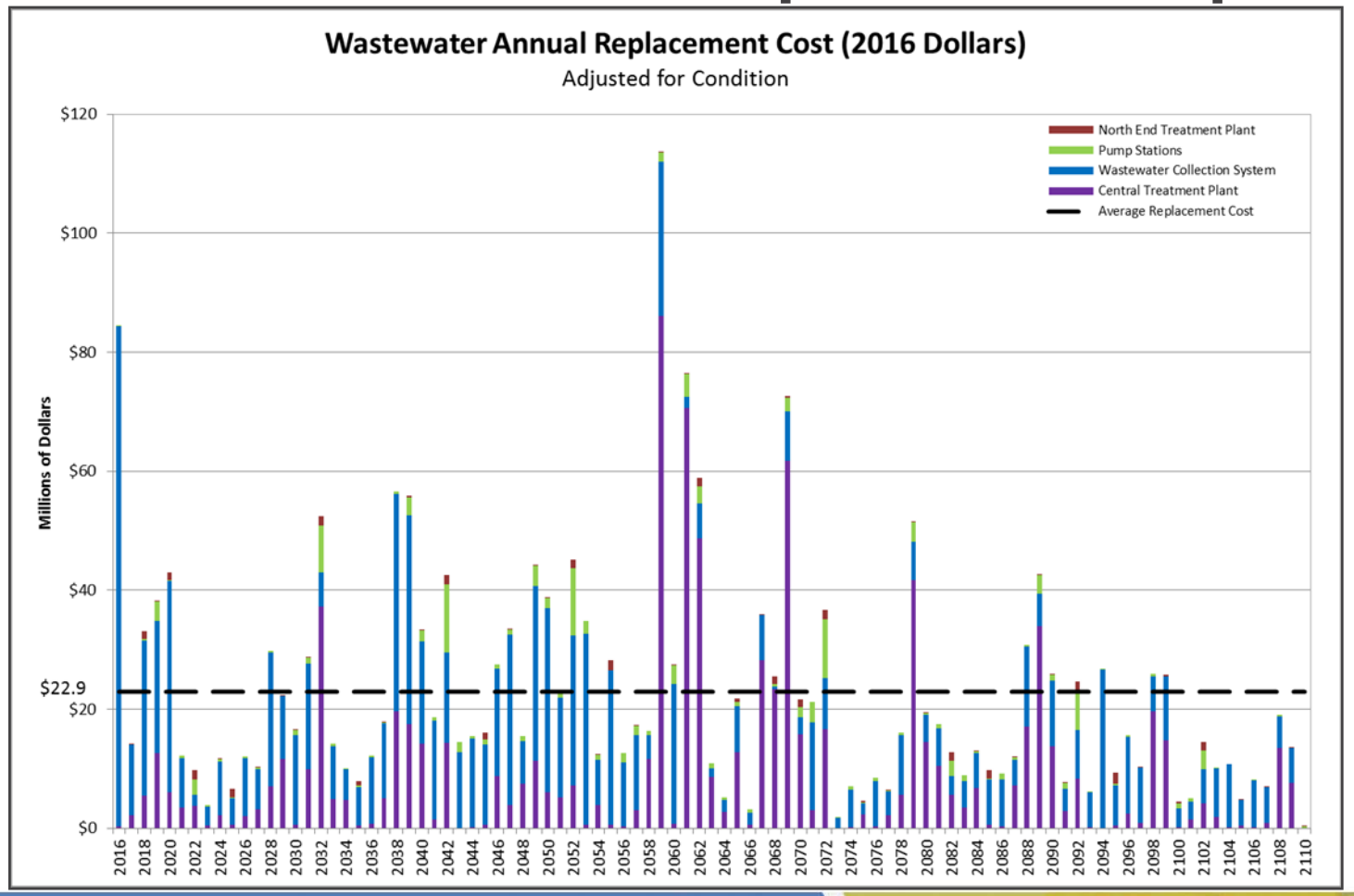
- Solid Waste
  - Extended maturities ten years
  - 2016A&B bonds issued $38.2 million
  - 2006A&B bonds refunded $46.0 million
  - PV savings $1.4 million
- Wastewater and Surface Water
  - 2016A&B bonds issued $43.7 million
  - 2006 bonds and 2009 TES bonds refunded $46.5 million
  - PV savings $5.1 million

Center for Urban Waters

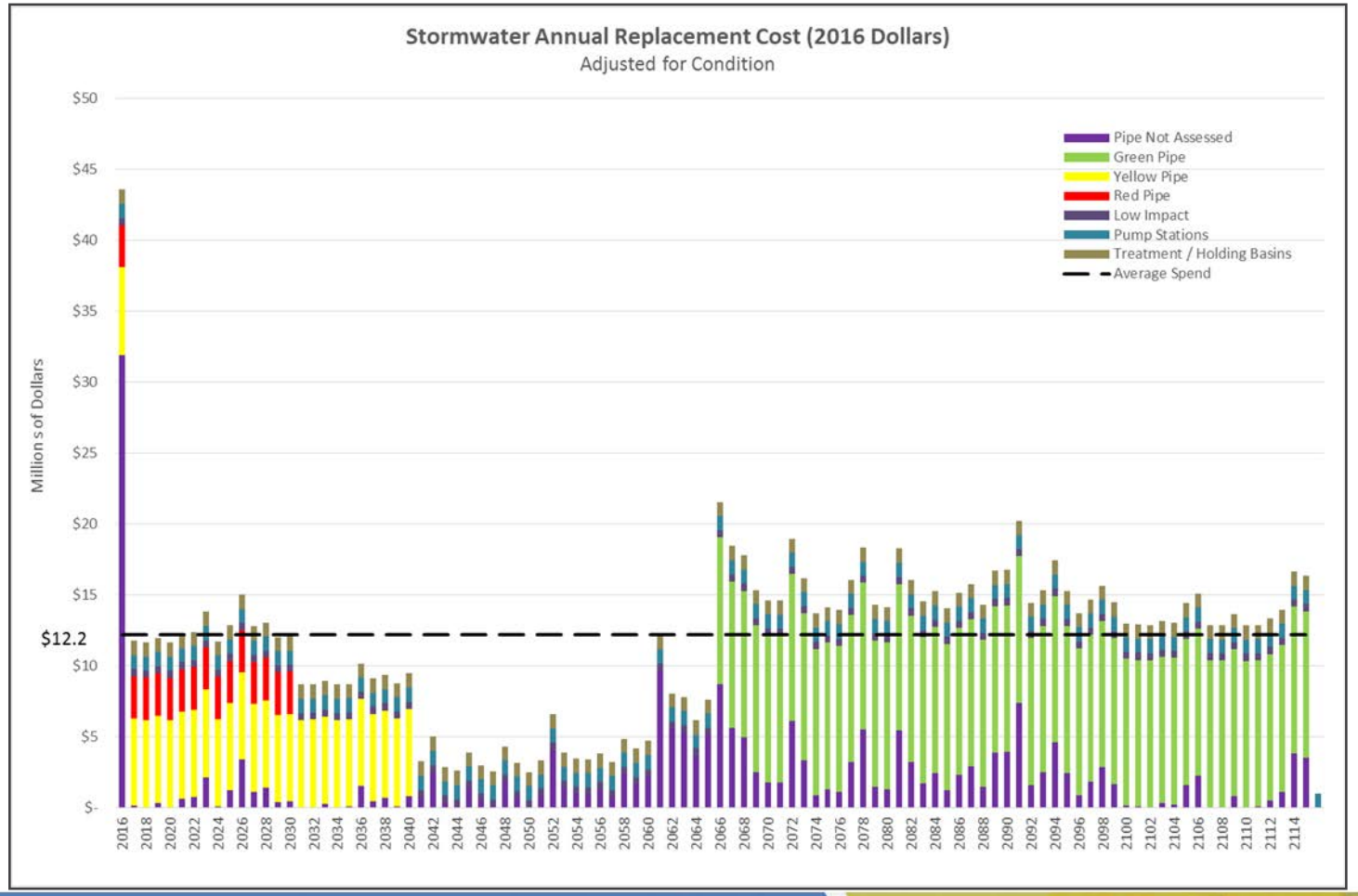
- Recorded the Center for Urban Waters (CUW) building and 2016A bonds in Wastewater
- Transferred all CUW land to Wastewater
- Wastewater to rent space to other utilities

2017-2018
Budget Proposals

Wastewater 100 Year Replacement Capital



Surface Water 100 Year Replacement Capital



Reductions

- Eliminated 17.3 Vacant FTEs
  - Positions were eliminated in a drive to become leaner at the Central Wastewater Treatment Plant

Enhancements Summary

- Solid Waste
  - Driver Trainee Program
  - Commingled Glass Recycling
  - Disposal Fee Increase
- Surface Water
  - Dedicated Rate Increase for Open Space

Enhancements Summary - OEPS

- Environmental Action Plan Support
  - Urban Forest Management Plan and Construction Assessment
  - Resource Conservation Program
  - Woodstove Program Support
  - Equitable Access to Healthy Food
  - Electrical Vehicle Program
  - Increased Staff Support
    - Urban Forester, New Project Specialist, Full-time HHHN Occupational Intern

2017-2022 Revenue Plan

Year	Solid Waste	Wastewater	Surface Water
2017	4.0%	5.5%	5.5%*
2018	4.0%	4.5%	5.5%*
2019	3.0%	4.5%	5.0%
2020	3.0%	4.5%	5.0%
2021	3.0%	4.0%	4.5%
2022	3.0%	4.0%	4.5%

*Includes 0.5% dedicated revenue for Open Space

Solid Waste - Deviation from 2015-2016 Projection

Year	2015 Projection	2017 Projection	Increase/ (Decrease)
2017	4.0%	4.0%	0.0%
2018	4.0%	4.0%	0.0%
2019	3.0%	3.0%	0.0%
2020	3.0%	3.0%	0.0%
2021	NA	3.0%	NA
2022	NA	3.0 %	NA

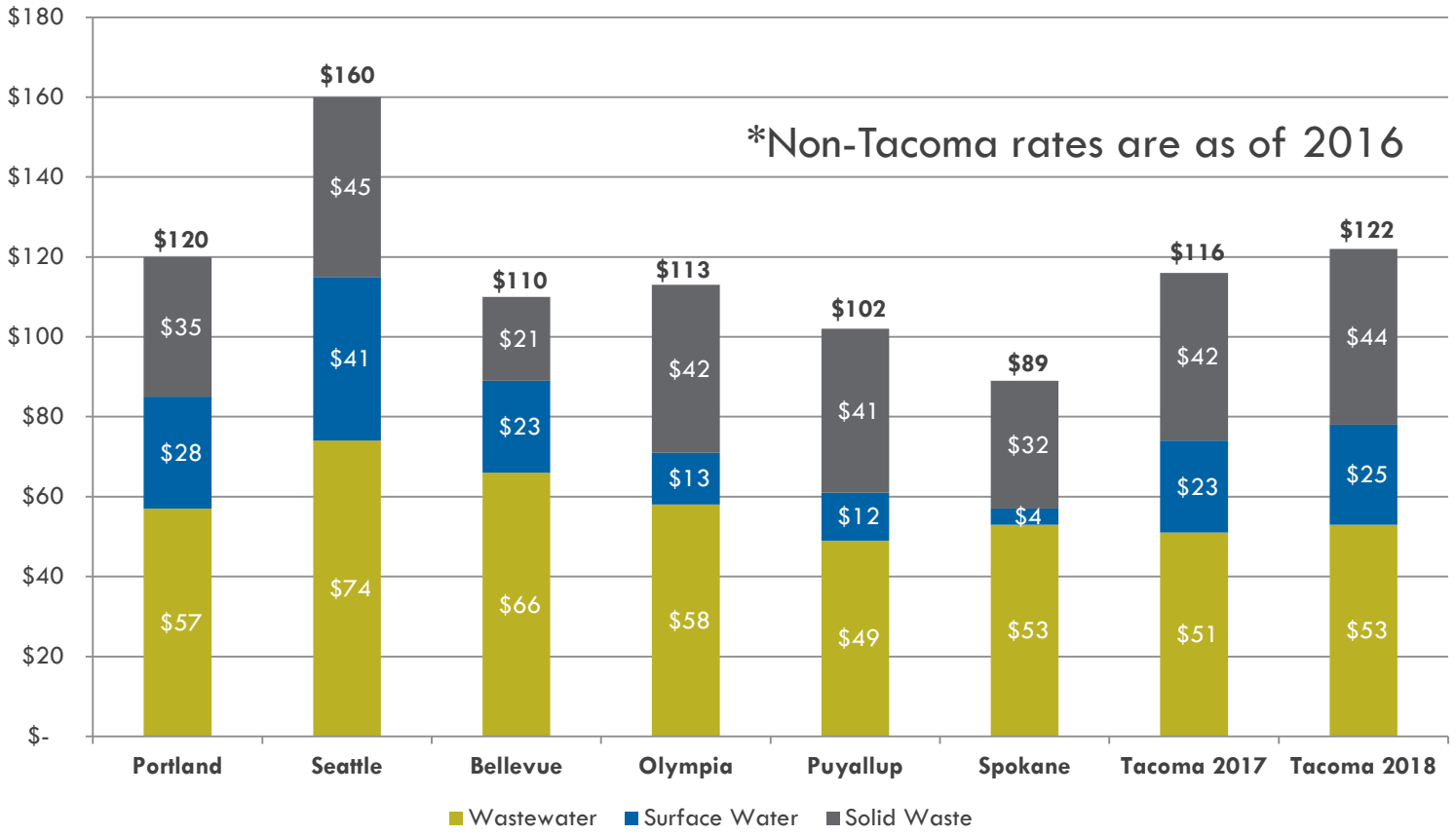
Wastewater - Deviation from 2015-2016 Projection

Year	2015 Projection	2017 Projection	Increase/ (Decrease)
2017	6.0%	5.5%	(0.5%)
2018	6.0%	4.5%	(1.5%)
2019	5.5%	4.5%	(1.0%)
2020	5.5%	4.5%	(1.0%)
2021	NA	4.0%	NA
2022	NA	4.0 %	NA

Surface Water - Deviation from 2015-2016 Projection

Year	2015 Projection	2017 Projection	Increase/ (Decrease)
2017	5.3%	5.5%	0.2%
2018	5.3%	5.5%	0.2%
2019	5.3%	5.0%	(0.3%)
2020	5.3%	5.0%	(0.3%)
2021	NA	4.5%	NA
2022	NA	4.5 %	NA

Residential Monthly Bill Comparison



Typical Residential Customer

	2016	2017			2018		
	Monthly Bill	Monthly Bill	$ Change	% Change	Monthly Bill	$ Change	% Change
Wastewater	$48.59	$50.70	$2.11	4.3%	$53.04	$2.34	4.6%
Surface Water	$22.25	$23.28	$1.03	4.6%	$24.53	$1.25	5.4%
Solid Waste							
45 gallon	$30.57	$31.71	$1.14	3.7%	$32.89	$1.18	3.7%
60 gallon	$40.75	$42.27	$1.52	3.7%	$43.85	$1.58	3.7%
120 gallon	$81.50	$84.54	$3.04	3.7%	$87.69	$3.15	3.7%

Payment Assistance Program

	2015-2016 Adopted	2017-2018 Proposed
Wastewater	$120,000	$150,000
Surface Water	$60,000	$70,000
Solid Waste	$195,000	$190,000

- Current program offers $110 per eligible household in annual bill assistance
- New assistance plan will offer up to $132
- One-time additional credit of up to $120 for completed Financial Education Course

Affordability Calculations

Year	Surface Water	Wastewater	Solid Waste	Without Discount	With Discount
Tacoma Median Income - $59,711 per year					
Current	0.4%	1.0%	0.8%	2.1%	
2017	0.5%	1.0%	0.8%	2.4%	
2018	0.5%	1.1%	0.9%	2.4%	
Qualified LIE/LID & Family Assistance for 4 People - $36,450 per year					
Current	0.7%	1.6%	1.3%	3.6%	2.5%
2017	0.8%	1.7%	1.4%	3.8%	2.5%
2018	0.8%	1.7%	1.4%	4.0%	2.6%

EPA Guidelines is 4% for Water, Wastewater, and Surface Water

Equity in Budgeting

- Urban Forest Management
- Woodstove Program Support
- Equitable Access to Healthy Food
- Permanent Staff for Healthy Homes Healthy Neighborhoods
- Advancing Minority Interest In Engineering (AMIE) Internships
- Solid Waste Driver Trainee Program

Summary

- Solid Waste, Wastewater, and Surface Water utilities are fiscally sound
  - On-track to become "inflation only" utilities
- Environmental Services proposed budget is responsive to community priorities
  - Equity
  - Additional resources dedicated toward Environmental Sustainability

Next Steps

Date	Topics
October 19 to November 7	Neighborhood Council Meetings
November 15	1st Reading – Ordinances setting the 2017-2018 rates for Wastewater, Surface Water, & Solid Waste
November 22	2nd Reading and Adoption – Ordinances setting the 2017-2018 rates for Wastewater, Surface Water, & Solid Waste

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