Public Works

October 11, 2022

Agenda

• Departmental Overview and Strategy
  • Departmental Overview
  • 2021-2022 Major Accomplishments
  • Issues and Considerations
  • 2023-2024 Strategy/Goals
  • 2023-2024 Major Initiatives & Proposals

• Financials and Personnel Overview
Overview and Strategy

Departmental Overview

[Diagram showing the Director and the following departments: Engineering, Street Operations, Transportation, Facilities Management, Rail Mountain Division]
2021-2022 Major Accomplishments

- Tidy-Up Tacoma - 13 Business Districts addressed in 2021
- Relocated pallet houses into tent at Stability Site for NCS
- East 64th Street Phase I, Pacific Avenue to McKinley Avenue
- Completing Taylor Way Freight Improvement Project
- Active Transportation and Safe Routes to School Projects
- Supported partner agency projects
  - Pierce Transit Pacific Avenue Stream BRT
  - WSDOT SR-167 Phase 1
  - WSDOT I-5 HOV Lanes / SR-16 HOV connectors
  - Sound Transit Hilltop Link Extension

2021-2022 Major Accomplishments

- Residential Street Maintenance (2021):
  - 193 blocks of surface treatments complete
  - 653 alleys graded
  - 74 ADA ramps constructed and
  - 2,845 LF of unfit/unsafe sidewalk reconstructed
- Completed construction of new Fire Station #5 in the Tideflats and Beacon Center Phase 1 Improvements
- Began transitioning Tacoma Police Department to hybrid Interceptors with 50% savings in fuel consumption
Issues & Considerations

- Cost Escalation
- Grant Funding
- Road Condition
- Equitable Access to Infrastructure
- Damaged and Aging Assets
- Abandoned Vehicle Calls for Service

2022 Community Survey Results

<table>
<thead>
<tr>
<th>Street Condition and Equitable Access to Facilities, Services &amp; Infrastructure are priority areas for improvement.</th>
<th>Level of Importance</th>
<th>Performance</th>
<th>Priority Rank</th>
<th>Overall Priority Score</th>
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</thead>
<tbody>
<tr>
<td>Street condition</td>
<td>8.6</td>
<td>46%</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Equitable Access to facilities, services, and infrastructure for residents of diverse incomes, race, ethnicity, and abilities</td>
<td>7.8</td>
<td>61%</td>
<td>2</td>
<td>6</td>
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<tr>
<td>Street Lighting</td>
<td>7.8</td>
<td>75%</td>
<td>3</td>
<td>10</td>
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<tr>
<td>Traffic Signal Timing</td>
<td>7.6</td>
<td>76%</td>
<td>4</td>
<td>11</td>
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<tr>
<td>Local Parks and Recreation Centers</td>
<td>7.6</td>
<td>84%</td>
<td>5</td>
<td>15</td>
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</table>

Comparing to 2020:
- Street condition remained a high priority and was the top priority.
- Equitable access to facilities (...) was a new priority in 2022.
- Traffic signal timing and street lighting are lower priorities this year.

2023-2024 Strategy/Goals

- Vision Zero
- New Infrastructure Funding
- Improve Condition of General Government Facilities
- Deferred Fleet Replacements
- Pavement Condition
- Mandates and Commitments
- Safe Routes to School and Sidewalks
2023-2024 Major Initiatives
Streets Initiative

<table>
<thead>
<tr>
<th>Maintenance Category</th>
<th>Initiative to Date</th>
<th>2023 Plan</th>
<th>2024 Plan</th>
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<tbody>
<tr>
<td>Overlay</td>
<td>1050</td>
<td>184</td>
<td>183</td>
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<tr>
<td>Surface Treatments</td>
<td>1446</td>
<td>186</td>
<td>385</td>
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<tr>
<td>Preventative Maintenance</td>
<td>1165</td>
<td>278</td>
<td>278</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>3661</strong></td>
<td><strong>648</strong></td>
<td><strong>846</strong></td>
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</table>

Completed and Planned Maintenance

2023-2024 Major Initiatives
Capital Project Delivery

- Manitou Elementary Safe Routes to School
- Signal Improvements: Lincoln Avenue & Port of Tacoma Road
- J Street Bicycle Boulevard
- S 21st & C Street Signal
- S Yakima Ave Sidewalk: S 67th to S 70th
- Water Flume Line Trail Phase 3a
- E 64th Phase 2 (McKinley to Portland)
- Prairie Line Trail Phase II
- Links to Opportunity
- E Portland Avenue: E 56th - E 64th
- Tacoma Spur NB & SB Ramps
- E 38th Street: E Portland - SR7
- 6th Ave Pedestrian Crossing Improvements
- Water Flume Line Trail Phase 3b
- S Cedar Street Active Transportation: S 15th - Center
2023-2024 Major Initiatives

Maintenance Enhancements

- Unfit Unsafe Sidewalk ($2.9M)
  - Approx. 200 to 240 properties and 850 – 900 stub toe locations
- Enhance Sign Replacement Program (+1 FTE; $429k)
  - Approx. 1,000 – 1,250 signs/year
- Increase Maintenance for Pedestrian Beacons ($450k)
- Maintain Bridge Operations ($1.7M)
- Enhance Trail Maintenance (+1 FTE; $387k)
- Add Graffiti Response (+1 FTE; $396k)
- Restore Permanent Pavement Repair Crew ($1.3M)
- Enhance Abandoned Auto Response ($125k)

2023-2024 Major Initiatives

Pedestrian/Vision Zero Improvements

- Add Vision Zero Coordinator (+1 FTE; $200k)
- Begin Implementation Vision Zero Program ($900k)
- 38th and Cedar Crossing ($400k)
- McKinley Avenue Business District Streetscape Improvement Project ($250k)
- Continue Safe Routes to School Program ($1.1M)
- Fund Active Transportation Investments ($900k)
2023-2024 Major Initiatives
Capital Projects and Grants

• Grant Coordinator (+1 FTE; $300k)
• Preparations for Fishing Wars Memorial Bridge Replacement ($500k)
• Portland Avenue Safety Improvements ($1M)
• Capital Grant match ($7.2M)
• Capital Project Cost Escalation ($2M)

2023-2024 Major Initiatives
Facilities and Fleet

• TPD Vehicle Replacement Funding ($3.7M)
• Fire Facility Security Improvements ($750k)
• Facilities Deferred Repair and Replacement Program (+4 FTE; $6.8M)
• Begin Planning for Facilities Bond/Levy
Financials and Personnel

Department Funding

[Graph showing financial data]

- 0010 - General Fund
- 1050 - Transportation Revenues
- 1060 - Transportation Capital & Engineering
- 1065 - Streets (Operation, Engineering, Transportation)
- 1070 - Transportation Benefit District
- 1095 - 2015 Voted Streets Initiative
- 1100 - Rights of Way
- 1140 - Paths & Trails
- 1550 - Traffic Enforcement Engineering & Education
- 4120 - Tacoma Mountain Rail
- 4140 - Parking Operating
- 4460 - Union Station
- 5000 - Equipment Rental Service
- 5053 - Asphalt Plant
- 5700 - Facilities
- 5800 - Internal Services
Department Expenditures

--- | --- | --- | ---
268.8 | 264.3 | 300.3

Public Works

October 11, 2022
Environmental Services

October 11, 2022

Agenda

• Departmental Overview
  • 2021-2022 Major Accomplishments

• Financials Overview
  • Revenue Proposal and Bill Impacts

• 2023-2024 Budget Development
  • Issues and Considerations
  • 2023-2024 Strategy/Goals
  • 2023-2024 Major Initiatives & Proposals
Department Overview

We believe everything we do supports healthy neighborhoods and a thriving Puget Sound, leaving a better Tacoma for all

HEALTHY NEIGHBORHOODS + THRIVING PUGET SOUND = A BETTER TACOMA
Major Accomplishments 2021-2022

- Maintained essential services throughout pandemic and continue to provide services to community (Health)
- Recycle reset outreach and education, including recycling ambassadors and transcreation of materials (Belief and Trust; Equity)
- Council adoption of 2030 Climate Action Plan (Health)
- 14 CNG trucks were added in 2021 for a total 47 CNG trucks (Health)  
  - 64% of Solid Waste Collection fleet converted to CNG (collection fleet excludes transfer tractors)
- Record-setting TAGRO sales in 2021 (Operational Effectiveness)
- Issued Sewer bonds a year early resulting in better value to rate-payers (Operational Effectiveness)

Major Projects 2021-2022

- CTP Electrical System Replacement
- Jefferson & Hood Street Stormwater Interceptor Project
- CTP Energy Management Improvements
- CNG Fueling Station Upgrade
Financials Overview

Financial State

- Utility revenues are not fully recovered
  - Lower rates in 2021-2022; COVID impacts; Unpaid bills
- Increasing operating expenses costs
  - Personnel costs, operating supplies, major contracts, internal costs (assessments)
- Construction inflation of 10-20%
  - Significant capital project delays ($120M) since 2020
### Department Funding

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating</th>
<th>Capital</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>2019-2020</td>
<td>$344,150,683</td>
<td>$79,358,757</td>
<td>$423,509,440</td>
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<tr>
<td>2021-2022</td>
<td>$357,546,700</td>
<td>$151,400,900</td>
<td>$508,947,600</td>
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<tr>
<td>2023-2024</td>
<td>$427,884,336</td>
<td>$181,460,032</td>
<td>$609,344,368</td>
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</table>

17% increase in baseline operating costs from 2021-22 to 2023-24, 1% increase from enhancements*

*Does not include new services funded through proposed excise tax

### Department Expenditures

<table>
<thead>
<tr>
<th>Category</th>
<th>2019-2020 Actuals</th>
<th>2021-2022 Adopted Budget</th>
<th>2023-2024 Proposed Budget</th>
<th>2022 to 2023 Increase</th>
<th>2023 to 2024 Increase</th>
<th>Total Biennial Increase</th>
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<td>Intergovernmental Revenues</td>
<td>$841,388</td>
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<td>Miscellaneous Revenues</td>
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<td>Personnel Services</td>
<td>$116,066,976</td>
<td>$128,858,062</td>
<td>$146,971,814</td>
<td>10.2%</td>
<td>5.2%</td>
<td>14%</td>
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<td>Employee-Related Costs</td>
<td>$2,010,860</td>
<td>$1,925,752</td>
<td>$2,260,951</td>
<td>21%</td>
<td>9%</td>
<td>35%</td>
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<td>Operating Expenses</td>
<td>$20,952,789</td>
<td>$19,779,466</td>
<td>$26,659,881</td>
<td>21%</td>
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<td>External Services</td>
<td>$39,654,609</td>
<td>$37,799,860</td>
<td>$52,850,423</td>
<td>40%</td>
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<td>40%</td>
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<td>Claims and Premiums</td>
<td>$71,785</td>
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<td>Taxes</td>
<td>$55,215,602</td>
<td>$57,300,507</td>
<td>$69,677,842</td>
<td>10.2%</td>
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<td>14%</td>
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<td>Indirect Costs</td>
<td>$37,908,499</td>
<td>$38,705,262</td>
<td>$44,053,447</td>
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<td>9%</td>
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<td>Internal Transfers</td>
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<td>$99,547,998</td>
<td>$70,880,610</td>
<td>15%</td>
<td>3.5%</td>
<td>19%</td>
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<td>Reserves</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Capital</td>
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<td>Personnel Services</td>
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<tr>
<td>Employee-Related Costs</td>
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<tr>
<td>Operating Expenses</td>
<td>$67,562,302</td>
<td>$151,400,590</td>
<td>$182,460,032</td>
<td>21%</td>
<td>9%</td>
<td>35%</td>
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<td>External Services</td>
<td>$882,490</td>
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<td>-</td>
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<td>-</td>
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<tr>
<td>Indirect Costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Internal Transfers</td>
<td>$3,768,507</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Grand Total</td>
<td>$423,509,440</td>
<td>$508,947,290</td>
<td>$609,344,368</td>
<td>17%</td>
<td>1%</td>
<td>20%</td>
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</tbody>
</table>

17% increase in baseline operating costs from 2021-22 to 2023-24, 1% increase from enhancements*

*Does not include new services funded through proposed excise tax
# 2022 Six Year Revenue Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Solid Waste</th>
<th>Wastewater</th>
<th>Stormwater</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>4.0 %</td>
<td>8.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>2024</td>
<td>4.0 %</td>
<td>8.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>2025</td>
<td>4.0 %</td>
<td>7.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>2026</td>
<td>4.0 %</td>
<td>7.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>2027</td>
<td>4.0 %</td>
<td>6.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2028</td>
<td>4.0 %</td>
<td>6.0%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

*Solid Waste bill will decrease by $0.50 in 2024 when recycle education surcharge sunsets (=1% decrease)*

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## Average Residential Customer Bill

<table>
<thead>
<tr>
<th></th>
<th>2022 Monthly</th>
<th>2023 Monthly</th>
<th>2024 Monthly</th>
<th>$ Difference</th>
<th>% Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater</td>
<td>$59.11</td>
<td>$63.99</td>
<td>$68.80</td>
<td>$4.88</td>
<td>8.3%</td>
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<td></td>
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<td></td>
<td></td>
<td>$4.81</td>
<td>7.5%</td>
</tr>
<tr>
<td>Stormwater</td>
<td>$27.40</td>
<td>$29.22</td>
<td>$31.18</td>
<td>$1.81</td>
<td>6.6%</td>
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<td>$1.96</td>
<td>6.7%</td>
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<tr>
<td>Solid Waste</td>
<td>$49.05</td>
<td>$51.21</td>
<td>$53.47</td>
<td>$2.16</td>
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<td>$2.26</td>
<td>4.4%</td>
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</tbody>
</table>
2022 Residential Bill Comparison

*Based on theoretical residential customer: 7,000 SF residential lot for surface water, 6 CCF water for wastewater, and for solid waste a 60 gallon garbage container, two 90 gallon recycling containers, and two 90 gallon yard/food waste containers picked up every other week (or a weekly equivalent)

2023-2024 Budget Development

Annual % of Household Median Income spent on shown utility bills

2023-2024 CITY OF TACOMA
OPERATING & CAPITAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY
Issues & Considerations

• Department of Ecology General Nutrient Permit
  • City engaged in several lawsuits; outcome and impacts not yet known

• System capacity constraints and planning for future growth

• Needed increases in Asset Management investments

• Funding sources for City and Council priorities
  • 2030 Climate Action Plan
  • General litter, trash, and debris response

2023-2024 Strategy & Goals

• Make limited, targeted investments and service enhancements
  • Support policy goals
    • Equity (alignment with Environmental Services Racial Equity Action Plan)
    • Environment (alignment with Climate Action Plan)

• Continue customer support through enhanced assistance programs
  • Environmental Services increasing program contribution by $1M by 2025

• Focus on financial recovery from the pandemic
  • Largely maintain the status quo for service levels and operations
  • Long-term staffing needs assessment and planning
  • Offset enhancements where possible (new revenues/reductions)

• Address regulatory requirements/critical business needs
  • Planning/responding to growth and regulatory changes
  • Health and safety
  • Solid Waste growth
2023-2024 Major Initiatives & Proposals

2023-2024 Major Initiatives - Equity

- Enhance Equitable Environmental Education & Transcreation (+2 FTE; $900K)
- Add Environmental Services Equity Lead (+1 FTE; $180K)
- Enhance Driver-in-Training Program (+2 FTE; $340K)
- Support Green Stormwater Infrastructure Diversity and At-Risk Job Training Program ($150K)
2023-2024 Major Initiatives - Environment

- Develop Stormwater Comprehensive Plan & Flooding Vulnerability Study ($450K)
- Fund Grant Match for Sea Level Rise Master Plan ($200K)
- Hire New Data and Grant Analyst (+1 FTE; $200K)
- Replace Pool Vehicle to Electric-Powered Truck ($60K)
- Educate Property Owners Adjacent to Open Space ($60K)

2023-2024 Major Initiatives – Customer Support

Average Residential Customer Bill with Assistance

<table>
<thead>
<tr>
<th>Year</th>
<th>Wastewater</th>
<th>Stormwater</th>
<th>Solid Waste</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$136</td>
<td>$110</td>
<td>$80</td>
<td>$326</td>
</tr>
<tr>
<td>2023</td>
<td>$144</td>
<td>$130</td>
<td>$80</td>
<td>$354</td>
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<tr>
<td>2024</td>
<td>$153</td>
<td>$138</td>
<td>$83</td>
<td>$372</td>
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</table>

2024 Annual available BCAP credit: $372 for all three Environmental Services utilities

10/11/2022
2023-2024 Major Initiatives – Health/Safety & Growth

• Add Engineer for Collection System Capacity Modeling (+1 FTE; $290K)
• Abate Hazardous Materials at Central Treatment Plan ($100K)
• Provide Wildfire Smoke Filter Fans for At-Risk Residents ($60K)
• Improve Neighborhood Cooling & Air Quality Relief Centers Access ($100K)

2023-2024 Major Initiatives – Health/Community Clean Up Services

• 6% Excise Tax on Solid Waste Bill starting in April 2023
• $3 per month for 60 Gallon Container
• Spending plan includes funding for Bill Payment Assistance (BCAP)

<table>
<thead>
<tr>
<th>2023-2024 Projections</th>
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<tbody>
<tr>
<td>Encampment Response</td>
<td>$2.5 M</td>
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<tr>
<td>Litter &amp; Debris Response</td>
<td>$3.7 M</td>
</tr>
<tr>
<td>Sanitation Staff Support &amp; Communication</td>
<td>$0.7 M</td>
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<tr>
<td>Bill Payment Assistance (BCAP)</td>
<td>$0.3 M</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$7.2 M</strong></td>
</tr>
<tr>
<td><strong>Total Estimated Funding</strong></td>
<td><strong>$7.2 M</strong></td>
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</tbody>
</table>
2023-2024 Major Initiatives – Business Needs

Solid Waste Enhancements
• Add Staff Support for Commercial Collections Growth and New Compost Program Contract (+4 FTE; $0 Net Zero Financial Impact)
• Continue Satellite Recycling Stations Cleanliness & Maintenance (+1 FTE; $170K)
• Add Customer Service Representatives (+2 FTE: $200K)

Summary
• Environmental Services is still recovering from the pandemic
  • Commercial revenues have not fully returned
  • Rate increases are required to address operating expense and construction inflation
• 2023-2024 Strategy focuses on
  • Improving our financial state
  • Supporting Council priorities through targeted investments
    • Equity
    • Environment
    • Health
  • Addressing critical business needs
  • Supporting our most vulnerable customers