

## Motion

I hereby move that the following motion be approved:

20-08. The Department of Public Utilities 2021/2022 budget, as submitted and filed with the Clerk of the Board, be accepted and approved and the City Council is requested to approve the same as provided by Section 4.12 of the Charter of the City of Tacoma.



# **TACOMA PUBLIC UTILITIES**

## **UTILITY BOARD MEETING**

### **2021/2022 DRAFT PRELIMINARY BIENNIUM BUDGET**

**Wednesday October 28, 2020**



# **Tacoma Public Utilities**

## **Public Utility Board**

Bryan Flint, Chair

Mark Patterson, Vice-Chair

Christine Cooley, Secretary

Carlos Watson, Member

Joe Bushnell, Member

## **Executive Team**

Jackie Flowers –

Director of Utilities/Chief Executive Officer

Chris Robinson –

Tacoma Power Superintendent/Chief Operating Officer

Scott Dewhirst –

Tacoma Water Superintendent

Dale W. King –

Tacoma Rail Superintendent

Prepared by:

Management Services Office

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Ebony Peebles

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**City of Tacoma, Washington  
Department of Public Utilities  
2021/2022 Draft Preliminary Biennium Budget**

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**City of Tacoma, Washington  
Department of Public Utilities  
2021/2022 Draft Preliminary Biennium Budget**

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**TACOMA PUBLIC UTILITIES**  
3628 South 35th Street  
Tacoma, Washington 98409-3192

October 28, 2020

To the Members of the Public Utility Board:

The preliminary draft of the Department of Public Utilities Budget for the 2021-2022 biennium is presented for your consideration and approval before transmittal to the City Clerk for distribution to the City Council. State law requires that the budget be filed at least 60 days before the beginning of the next fiscal year. The budget will be delivered to the City Clerk's office on October 30, 2020.

My office, staff within the various divisions, the division managers and Superintendents, and the Management Services Office have carefully reviewed these requested appropriations. The divisional budgets were discussed at Public Utility Board Meetings on August 26, September 9, and September 23, 2020. A budget overview was presented at the Public Utility Board Meeting on September 23, 2020 and the budget was discussed in detail at the joint City Council/Public Utility Board Study Session on October 6, 2020. Public outreach has been an integral part of the budget process and included virtual public meetings with franchise cities and neighborhood organizations as well as newsletters, a dedicated web page, bill insert messages and other content.

These budgets were developed without compromising the mission or values of Tacoma Public Utilities. All expenditures were thoroughly reviewed and capital outlay budgets were examined fully and prioritized for possible deferral or elimination. Financing of these projects is consistent with the Board's established rate policies.

The Tacoma Public Utilities 2021-2022 biennial budget totals \$1.31 billion which represents a 1.1 percent increase above the 2019-2020 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Tacoma Water and Tacoma Rail, the details of which are noted in their subsections below.

The assumption for all of Tacoma Public Utilities includes health and welfare benefit costs which are consistent with levels in the Citywide biennial budget.

### **Tacoma Power**

This proposed budget continues to support Tacoma Power's strategy to maintain low rates while providing reliable and environmentally responsible electric power.







**TACOMA PUBLIC UTILITIES**

3628 South 35th Street

Tacoma, Washington 98409-3192

Tacoma Power's proposed 2021-2022 budget is \$932.8 million. This is down \$(26.1) million or (2.7) percent below the prior budget which included \$54.5 million and 54 FTEs for Click! Network. Excluding Click! Network, Tacoma Power's 2021-2022 budget is increasing by \$28.3 million or 3.1 percent.

Tacoma Power personnel costs are projected to increase approximately \$21.1 million or 11.4 percent. These costs include decreases in Tacoma Power staffing levels from 838.3 to 798.2 full time equivalents (FTEs), mainly due to the reduction for Click! Network FTEs. Repurposing of several existing positions will address resource needs driven by Tacoma Power's strategic objectives and operational needs. Although FTEs are decreasing, the lack of a planned vacancy factor for 2021-2022 compared to the 2019-2020 results in an increase of \$20 million in personnel costs. This was changed since the vacancy factor has been running very low. Supplies, services and other charges will decrease by \$(22.9) million or (4.4) percent. The total capital outlay proposed is \$149.9 million, of which \$60.2 million of this capital plan will be paid for from the operating fund while the rest will be paid from bond proceeds. \$29.4 million of proposed capital spending was shifted to debt financing to help mitigate costs in the upcoming biennium.

Taxes, primarily City of Tacoma gross earnings taxes of \$69.2 million and State of Washington utilities and business taxes of \$43.6 million, total \$112.7 million for the biennium, which is a decrease of \$(1.6) million from the prior biennium. Excluding Click! Network, taxes are increasing by \$5.5 million or 5.1 percent. Included in the tax figures are administrative fees for small surrounding cities where Tacoma Power operates.

Funding for the budget will be primarily from sales of electric energy and bulk power sales. Tacoma Power also receives other electric and miscellaneous revenues, such as interest income, rents, and wheeling revenues. Tacoma Power will maintain a minimum cash reserve of 90 days of current budgeted expenditures including capital paid from the operating fund to remain compliant with Electric Rate and Financial Policy. The budget includes anticipated additional revenue of \$17.1 million derived from an average system rate increase of approximately 2.0 percent in each of the two years of the biennium.

### **Tacoma Water**

In formulating its budget, Tacoma Water continues to focus on managing expenditures while maintaining responsible stewardship and long term financial sustainability of the Utility.

Tacoma Water's 2021-2022 budget is \$281.6 million. This is a \$53.4 million increase, or 23.4 percent, above the prior budget, driven mainly from using internal reserve funds rather than debt for capital outlay.





## **TACOMA PUBLIC UTILITIES**

3628 South 35th Street

Tacoma, Washington 98409-3192

Tacoma Water's personnel costs are planned to increase by \$4.2 million, including an increase in planned staffing levels of 5.5 adjustments to partial FTEs planned to be filled mid-biennium 2019-2020 as well as 6 new FTEs. The increase in FTEs supports regulatory mandates, broad analysis, data driven decision making and strategic asset management, and aligns staffing with emerging areas of emphasis. The increase in personnel costs also includes an increase in employee benefits expense of nearly \$11,000 per FTE, primarily due to use of reserves for medical benefits lowering the expense in 2019-2020. Supplies, services and other charges will increase to cover growing operational expenses to provide safe, clean water and to address other priorities. Debt Service is expected to decrease to \$50.6 million in the next biennium. Part of the debt service expense will be offset by the Build America Bonds subsidy which is recorded as non-operating revenue. The total capital outlay proposed is \$79.3 million. The capital financing plan calls for this entire amount to be paid from operating and capital fund reserves.

Taxes paid by Tacoma Water total \$27.4 million for the biennium, an increase of \$2.5 million. City of Tacoma gross earnings taxes equals \$16.1 million and State of Washington utilities and business taxes equal \$11.2 million. Included in the total tax figures are franchise, administrative, and other fees paid to other cities and entities.

Tacoma Water receives most of its revenue from water sales and other operating earnings. To balance its budget, an anticipated additional revenue amount of \$5.7 million is required, which would come from an average system rate increase of 2.0 percent in both 2021 and 2022.

## **Tacoma Rail**

Tacoma Rail's 2021-2022 budget is \$78.3 million. This is \$3.0 million, or 3.9 percent, above the prior budget. Tacoma Rail's operations by necessity fluctuate and are greatly influenced by economic activity, particularly driven by the movement of goods and commodities around the Port of Tacoma area.

Personnel costs are projected to increase by \$3.3 million, with staffing levels budgeted to increase by 1.0 FTE for the biennium. Supplies, services and other charges are planned to increase by \$1.6 million or 7.0 percent. The total capital outlay proposed is \$10.2 million. \$6.9 million of this capital plan will be paid from the operating fund while \$3.3 million will be financed with either grants or special no, or low, interest loans.

Funding for the budget comes primarily from switching revenues. Tacoma Rail proposes rate increases of 3.0 percent for both 2021 and 2022.

Taxes paid by Tacoma Rail total \$7.6 million for the biennium, an increase of \$0.6 million. City of Tacoma gross earnings tax equals \$6.3 million and State of Washington utilities and business taxes total approximately \$1.3 million.





**TACOMA PUBLIC UTILITIES**  
3628 South 35th Street  
Tacoma, Washington 98409-3192

## **Fleet Services Fund**

The Fleet Services Fund's 2021-2022 biennial budget is \$11.6 million as compared to \$26.4 million in the prior biennium. The decrease relates to moving Tacoma Power, Tacoma Water and Tacoma Rail capital outlay out of the Fleet Services Fund and into the respective enterprise funds for those divisions.

## **Other Funds**

Self-Insurance Claim Fund biennial appropriations, which are provided by Tacoma Power, Tacoma Water and Tacoma Rail plus appropriations from the cash reserves, total \$5.7 million.

The Family Need Fund, which is a funding source for bill payment assistance to income qualifying Power customers, will have a total biennial budget of \$2.5 million.

## **Service Divisions**

Expenditures for the service divisions are included for information only because their costs are included in the budgets of the operating divisions, and other funds within the department. Portions of the Customer Services costs are reimbursed by the City's Environmental Services department. Service division budgets include the Administrative Offices, Customer Services, Real Property Services, Utility Technology Services Software & Desktop Support and Copiers. The operating divisions reviewed these budgets during the budget process to ensure that only essential services are budgeted. The service divisions have budgets that total \$80.1 million for the 2021-2022 biennium, up from \$72.3 million in the prior biennium.

## **Summary**

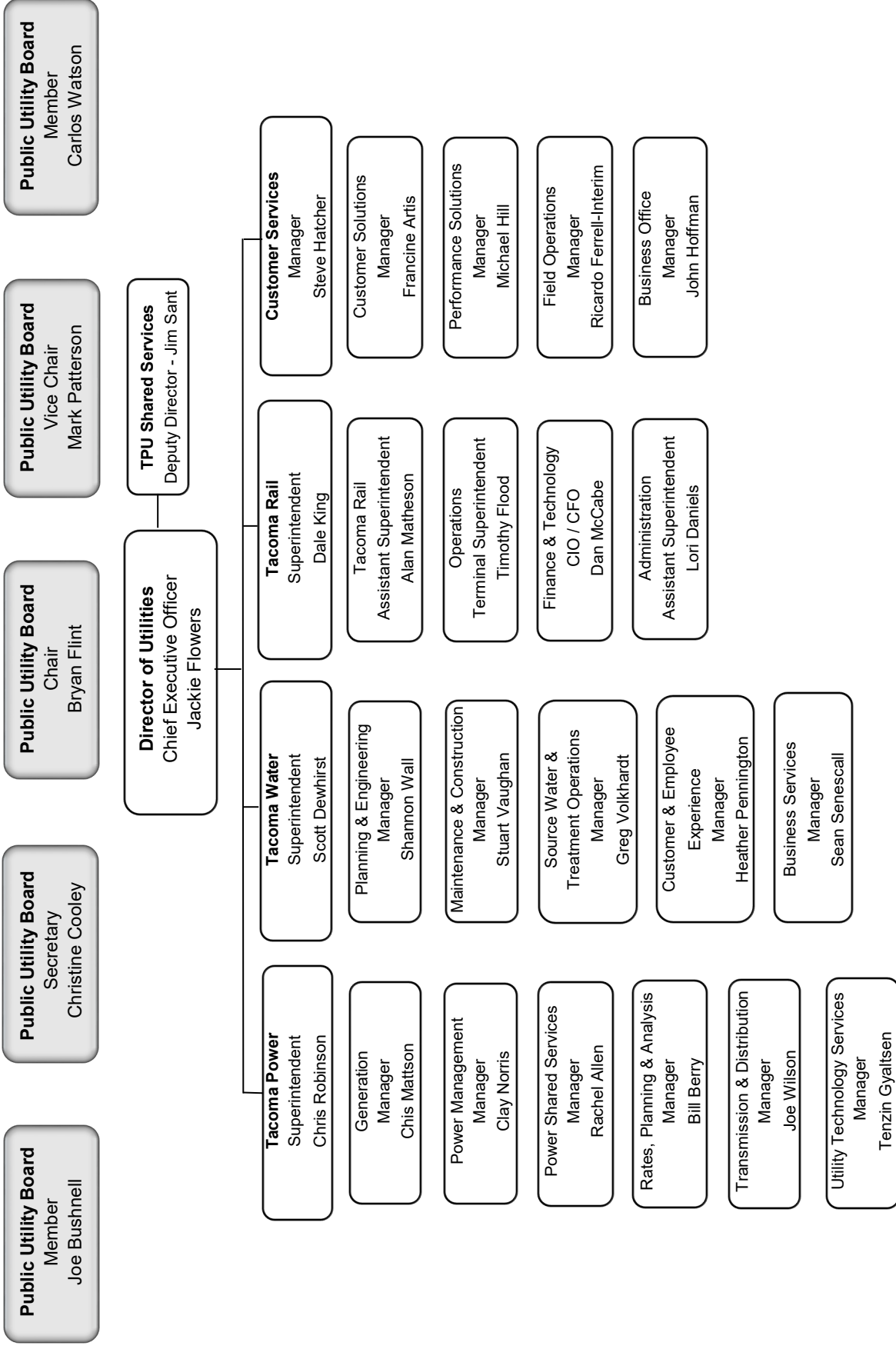
The revenues and expenditures contained in the Department of Public Utilities 2021-2022 biennial budget requests were developed in accordance with the stated mission of the department and in conformance with the objectives of strategic plans. The proposed budget appropriations were reviewed extensively by my office, divisional management, the Management Services Office, and the Public Utility Board. TPU's budgets and rate proposals reflect strategies that are durable over the long run. The Utilities have considered the economy and market conditions and have properly aligned their budgets and their work forces for the 2021-2022 biennium and beyond.

Sincerely,

Jackie R. Flowers  
Director of Utilities, CEO



# CITY OF TACOMA - DEPARTMENT OF PUBLIC UTILITIES



**CITY OF TACOMA  
DEPARTMENT OF PUBLIC UTILITIES**

**DEPARTMENT SUMMARY**

The Department of Public Utilities consists of the Tacoma Power, Tacoma Water, and Tacoma Rail Operating Divisions, Fleet Services, the Customer Services Division, and Administrative and Support Services.

Memorandum budgets have been prepared for the Customer Services and Administrative/Support Services Divisions. Except for a portion of the Customer Services' budget, which is reimbursed by the City's Environmental Services, all planned Service Division expenses have been allocated to and are included in the three Operating Funds' budgets.

The following is a summary of the appropriations by fund.

**2019-2020 BUDGET**

	<b>Personnel Costs</b>	<b>Supplies, Services &amp; Other Charges</b>	<b>Taxes</b>	<b>Debt Service</b>	<b>Capital Outlay</b>	<b>2019-2020 Total</b>
Tacoma Power Division	\$185,415,658	\$510,242,691	\$114,377,816	\$59,122,802	\$89,672,000	<b>\$958,830,967</b>
Tacoma Water Division	57,949,725	57,146,959	24,866,802	53,216,486	35,111,569	<b>228,291,541</b>
Tacoma Rail Division	33,984,306	23,024,900	7,016,314	1,640,486	9,700,000	<b>75,366,006</b>
<b>Operating Funds</b>	<b>277,349,689</b>	<b>590,414,550</b>	<b>146,260,932</b>	<b>113,979,774</b>	<b>134,483,569</b>	<b>1,262,488,514</b>
Fleet Services Fund	6,767,495	2,831,263	0	0	16,780,500	<b>26,379,258</b>
Family Need Fund	0	2,500,000	0	0	0	<b>2,500,000</b>
Self-Insurance Fund	0	6,712,450	0	0	0	<b>6,712,450</b>
<b>Other Funds</b>	<b>6,767,495</b>	<b>12,043,713</b>	<b>0</b>	<b>0</b>	<b>16,780,500</b>	<b>35,591,708</b>
<b>Total TPU 2019-2020</b>	<b>\$284,117,184</b>	<b>\$602,458,263</b>	<b>\$146,260,932</b>	<b>\$113,979,774</b>	<b>\$151,264,069</b>	<b>\$1,298,080,222</b>

**2021-2022 BUDGET**

	<b>Personnel Costs</b>	<b>Supplies, Services &amp; Other Charges</b>	<b>Taxes</b>	<b>Debt Service</b>	<b>Capital Outlay</b>	<b>2021-2022 Total</b>
Tacoma Power Division	\$206,541,211	\$487,387,064	\$112,742,510	\$65,845,389	\$60,237,000	<b>\$932,753,175</b>
Tacoma Water Division	62,124,823	62,181,005	27,414,965	50,597,583	79,331,221	<b>281,649,598</b>
Tacoma Rail Division	37,305,788	24,638,372	7,639,000	1,768,498	6,980,000	<b>78,331,658</b>
<b>Operating Funds</b>	<b>305,971,822</b>	<b>574,206,442</b>	<b>147,796,475</b>	<b>118,211,470</b>	<b>146,548,221</b>	<b>1,292,734,430</b>
Fleet Services Fund	7,974,817	3,034,129	0	0	592,774	<b>11,601,721</b>
Family Need Fund	0	2,500,000	0	0	0	<b>2,500,000</b>
Self-Insurance Fund	0	5,716,200	0	0	0	<b>5,716,200</b>
<b>Other Funds</b>	<b>7,974,817</b>	<b>11,250,329</b>	<b>0</b>	<b>0</b>	<b>592,774</b>	<b>19,817,921</b>
<b>Total TPU 2021-2022</b>	<b>\$313,946,639</b>	<b>\$585,456,771</b>	<b>\$147,796,475</b>	<b>\$118,211,470</b>	<b>\$147,140,995</b>	<b>\$1,312,552,351</b>

Prior years may have been reclassified or restated to reflect organizational changes.

Job Classifications and Salary Information:

Visit [www.cityoftacoma.org/empage.aspx](http://www.cityoftacoma.org/empage.aspx) for current job classification specs with salary data.

**CITY OF TACOMA  
DEPARTMENT OF PUBLIC UTILITIES**

**COMPARATIVE BUDGET**

<b>Fund</b>	<b>Biennial Budget 2019-2020</b>	<b>Biennial Budget 2021-2022</b>	<b>\$ Increase or Decrease</b>	<b>% Increase or Decrease</b>	<b>% 2021-2022 Total Dept.</b>
Tacoma Power	\$958,830,967	\$932,753,175	(\$26,077,792)	(2.7%)	71.1%
Tacoma Water	228,291,541	281,649,598	53,358,057	23.4%	21.6%
Tacoma Rail	75,366,006	78,331,658	2,965,652	3.9%	6.0%
Fleet Services	26,379,258	11,601,721	(14,777,537)	(56.0%)	0.9%
Family Need	2,500,000	2,500,000	0	0.0%	0.2%
Self-Insurance Claim	6,712,450	5,716,200	(996,250)	(14.8%)	0.4%
<b>Total Department</b>	<b>\$1,298,080,222</b>	<b>\$1,312,552,351</b>	<b>\$14,472,129</b>	<b>1.1%</b>	<b>100.0%</b>

DEPARTMENT OF PUBLIC UTILITIES	2017-18	2019-20	2021-22
Taxes	Biennium Actual	Biennium Budget	Biennium Budget

### **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax	\$88,665,925	\$90,817,645	\$91,666,516
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State of Washington:

Utility & Business Tax	38,041,890	39,867,810	42,127,177
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Other \*

14,987,570	15,516,477	14,002,782
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Subtotal

141,695,385	146,201,932	147,796,475
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Federal Taxes (FICA)

15,077,361	16,440,940	17,199,152
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Federal Railroad Taxes (RR)

4,310,435	4,430,662	4,649,046
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Subtotal

19,387,796	20,871,602	21,848,198
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<b>Total Taxes</b>	<b>\$161,083,181</b>	<b>\$167,073,534</b>	<b>\$169,644,673</b>
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

\* Other includes franchise, administrative and other fees paid to other Cities and entities and fire patrol assessments paid to WA State DNR.

<b>DEPARTMENT OF PUBLIC UTILITIES</b>	<b>2019-20</b>	<b>2021-22</b>
<b>General Government Expenses</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>



City Clerk	\$225,938	\$240,213
City Council	179,837	215,847
City Manager's Office	121,393	184,264
CMO Equity	527,858	1,030,321
Government Relations	92,119	52,656
Hearing Examiner	55,755	51,692
HUB	154,804	141,232
LEAP	162,171	130,905
TTEP	313,075	312,627
Office of Management and Budget	74,858	100,975
Continuous Improvement	387,984	501,839
Public Disclosure	515,483	595,666
Safety*	1,051,173	1,235,243
TFD Emergency Management	119,252	164,831

<b>Total Miscellaneous General Government Expenses</b>	<b>3,981,700</b>	<b>4,958,311</b>
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Finance	7,769,410	8,191,165
Human Resources	7,123,207	7,411,883
IT	22,247,545	22,365,814
Legal	3,048,738	3,073,785

<b>Total TPU General Government Expenses</b>	<b>\$44,170,600</b>	<b>\$46,000,958</b>
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\*Safety was a TPU function in 19-20



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**TACOMA POWER**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**

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<b>TACOMA POWER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Operating Revenue			
Sales of Electric Energy	\$813,024,621	\$825,769,355	\$863,264,996
Anticipated Additional Revenue	0	16,541,545	17,078,143
Other Electric Revenue	36,730,445	39,743,995	49,199,161
Telecommunications Revenue	51,883,640	54,732,255	0
<b>Total Operating Revenue</b>	<b>901,638,706</b>	<b>936,787,150</b>	<b>929,542,300</b>
Other Income	16,795,177	12,864,759	13,529,482
Appropriation from Fund Balance	0	9,179,057	(10,318,607)

<b>Total Revenue &amp; Available Funds</b>	<b>\$918,433,883</b>	<b>\$958,830,967</b>	<b>\$932,753,175</b>
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### **EXPENDITURES**

Personnel Costs	\$181,640,627	\$185,415,658	\$206,541,211
Supplies, Services & Other Charges	447,507,543	510,242,691	487,387,064
Taxes - Current Revenue Estimate	110,603,079	112,496,480	110,816,181
Taxes - Anticipated Additional Revenue	0	1,881,336	1,926,329
Debt Service	80,163,269	59,122,802	65,845,389
Capital Outlay	57,817,049	89,672,000	60,237,000
Cash Defeasance	27,155,000	0	0

<b>Total Expenditures</b>	<b>\$904,886,567</b>	<b>\$958,830,967</b>	<b>\$932,753,175</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Funded From Operating Fund		\$89,672,000	\$60,237,000
Funded From New Bonds		60,051,000	89,661,000

<b>Total Capital Outlay</b>		<b>\$149,723,000</b>	<b>\$149,898,000</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>857.27 / 860.02</b>	<b>838.28 / 838.28</b>	<b>798.2 / 798.2</b>
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Prior years may have been reclassified or restated to reflect organizational changes.

<b>TACOMA POWER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **REVENUE SUMMARY**

Sales of Electric Energy	\$813,024,621	\$825,769,355	\$863,264,996
Anticipated Additional Revenue	0	16,541,545	17,078,143
Other Electric Revenue	36,730,445	39,743,995	49,199,161
Telecommunications Revenue	51,883,640	54,732,255	0
<b>Total Operating Revenue</b>	<b>901,638,706</b>	<b>936,787,150</b>	<b>929,542,300</b>
Other Income	16,795,177	12,864,759	13,529,482
Appropriation from Fund Balance	0	9,179,057	(10,318,607)

<b>Total Revenue &amp; Available Funds</b>	<b>\$918,433,883</b>	<b>\$958,830,967</b>	<b>\$932,753,175</b>
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#### **REVENUE DETAIL**

##### **Sales of Electric Energy**

Residential	\$342,857,786	\$366,568,235	\$363,405,622
Private Off-Street Lighting	2,705,231	3,061,854	2,816,295
Small General	58,382,172	57,254,711	58,125,420
General	205,723,926	208,176,072	220,957,858
High Voltage General	40,228,631	45,607,004	51,644,499
Contract Industrial - Firm	45,773,304	47,244,762	48,910,948
New Large Load	0	0	10,456,714
Street Lighting & Traffic Signals	2,661,149	2,016,509	2,148,861
<b>Total Retail Sales</b>	<b>698,332,198</b>	<b>729,929,147</b>	<b>758,466,217</b>

##### **Other Sales**

Bulk Power Sales	112,548,945	95,840,208	104,798,779
Accrued Unbilled Revenue	2,143,478	0	0
<b>Total Other Sales</b>	<b>114,692,423</b>	<b>95,840,208</b>	<b>104,798,779</b>
Anticipated Additional Revenue	0	16,541,545	17,078,143
<b>Total Sales of Electric Energy</b>	<b>813,024,621</b>	<b>842,310,900</b>	<b>880,343,139</b>

<b>TACOMA POWER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **Other Electric Revenue**

Rent from Electric Property	3,452,028	2,704,477	4,285,672
Rainier Connect IRU	0	0	6,500,000
BPA Efficiency Incentive	0	0	7,500,000
Interdepartmental Rent	4,769,877	4,924,037	4,597,966
Service Connection Fees	2,548,995	2,451,276	1,825,504
Green Power	110,010	111,948	114,575
Overhead on Work for Others	477,111	573,785	1,009,911
Late Payment Fees	1,967,436	2,517,398	2,171,369
Income from Campgrounds	3,122,716	3,008,934	3,310,662
Wheeling	20,176,383	23,374,353	17,665,990
Miscellaneous	105,889	77,787	217,512
<b>Total Other Electric Revenue</b>	<b>36,730,445</b>	<b>39,743,995</b>	<b>49,199,161</b>

#### **Telecommunications Revenue**

CATV	33,588,544	32,758,843	
Broadband	2,132,513	2,446,773	
Internet	14,674,655	18,427,102	
Miscellaneous	1,487,927	1,099,537	
<b>Total Telecommunications</b>	<b>51,883,640</b>	<b>54,732,255</b>	<b>0</b>

#### **Other Income**

Interest	5,980,616	3,645,145	3,955,752
Federal Subsidy for BABS/CREBS interest	7,511,835	7,418,000	7,458,448
Miscellaneous	3,302,725	1,801,614	2,115,282
<b>Total Other Income</b>	<b>16,795,177</b>	<b>12,864,759</b>	<b>13,529,482</b>

#### **Other Available Funds**

Appropriation from Fund Balance	0	9,179,057	(10,318,607)
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<b>Total Revenue &amp; Available Funds</b>	<b>\$918,433,883</b>	<b>\$958,830,967</b>	<b>\$932,753,175</b>
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<b>TACOMA POWER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **SUMMARY - Operation & Maintenance by Section**

Power Administration	\$143,407,678	\$135,193,579	\$177,105,215
Click!	56,662,690	54,455,682	0
Generation	80,769,600	90,658,243	89,063,986
Power Management	328,421,683	363,789,727	364,140,650
Power Shared Services	19,303,215	26,129,294	29,855,488
Rates, Planning & Analysis	7,575,216	10,053,019	10,013,531
Transmission & Distribution	80,344,119	93,495,737	97,134,898
Utility Technology Services	23,267,049	36,260,883	39,357,018

<b>Total for Division</b>	<b>\$739,751,249</b>	<b>\$810,036,165</b>	<b>\$806,670,785</b>
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#### **SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$163,579,905	\$169,701,179	\$186,496,133
Employee Benefits	59,863,030	58,229,067	70,077,242
Capital Credit & Labor To/From Others	(41,802,308)	(42,514,588)	(50,032,164)
<b>Total Personnel Costs</b>	<b>181,640,627</b>	<b>185,415,658</b>	<b>206,541,211</b>
Supplies	282,007,970	298,920,868	295,662,996
Services	77,585,187	98,853,564	69,505,904
Other Charges	30,459,365	46,185,874	52,142,531
Assessments	57,455,022	66,282,385	70,075,633
Taxes	110,603,079	114,377,816	112,742,510

<b>Total for Division</b>	<b>\$739,751,249</b>	<b>\$810,036,165</b>	<b>\$806,670,785</b>
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<b>TACOMA POWER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Taxes</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (7.5%)	\$68,526,831	\$68,950,770	\$67,885,424
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State of Washington:

Utility & Business Tax	28,496,084	29,555,802	30,443,275
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Other\*

County/Schools/Fire Protection Dist.	3,930,028	4,188,800	4,508,900
Franchise Administrative Fees	7,268,015	7,498,155	7,978,582
Click! Franchise-Like Fees	2,382,121	2,302,953	0

Subtotal	<b>110,603,079</b>	<b>112,496,480</b>	<b>110,816,181</b>
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Anticipated Additional Revenue\*\*

Gross Earnings Tax (7.5%)		1,240,616	1,270,326
Utility & Business Tax		640,720	656,003
		1,881,336	1,926,329

Total City & Utility Tax	<b>110,603,079</b>	<b>114,377,816</b>	<b>112,742,510</b>
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Federal Taxes (FICA)	11,854,808	12,611,278	12,986,642
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<b>Total Tacoma Power Taxes</b>	<b>\$122,457,887</b>	<b>\$126,989,094</b>	<b>\$125,729,152</b>
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

\* Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

\*\* Taxes on anticipated additional revenue due to rate increase.



<b>TACOMA POWER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **DEBT SERVICE SUMMARY**

Interest	\$38,493,269	\$42,287,802	\$49,585,389
Principal	68,825,000	16,835,000	16,260,000

<b>Total Debt Service</b>	<b>\$107,318,269</b>	<b>\$59,122,802</b>	<b>\$65,845,389</b>
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#### **DEBT SERVICE DETAIL**

2010B Revenue Bonds	Interest	17,383,647	17,383,647	17,383,647
\$147,070,000	Principal	0	0	0
2010C Revenue Bonds	Interest	2,728,552	2,728,552	2,728,552
\$24,185,000	Principal	0	0	0
2013A Ref & Rev Bonds	Interest	11,366,194	8,990,450	7,785,200
\$181,610,000	Principal	48,825,000	16,835,000	0
2013B Ref & Rev Bonds	Interest	3,232,222	3,232,220	3,042,470
\$35,620,000	Principal	0	0	7,780,000
2017 Bonds	Interest	4,382,400	6,573,600	6,466,100
\$80,000,000	Principal	0	0	4,405,000
2018 Line of Credit	Interest	941,864	1,600,000	0
\$100,000,000	Principal	20,000,000	0	0
2019 Line of Credit	Interest	0	1,779,333	3,660,000
\$150,000,000	Principal	0	0	0
2021 Bonds	Interest	0	0	8,519,420
\$150,000,000 - Anticipated	Principal	0	0	4,075,000
2018 Interest During Construction		(1,541,610)	0	0

<b>Total Debt Service</b>	<b>\$107,318,269</b>	<b>\$59,122,802</b>	<b>\$65,845,389</b>
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TACOMA POWER	2019-20	2021-22
Capital Outlay	Biennium Budget	Biennium Budget

## SUMMARY

### Click! Network

Capital Projects:	\$0	\$0
Additions and Replacements:	1,797,000	0
<b>Click! Total</b>	<b>1,797,000</b>	<b>0</b>

### General Plant

Capital Projects:	36,757,000	45,954,000
Additions and Replacements:	2,404,000	1,425,000
<b>General Plant Total</b>	<b>39,161,000</b>	<b>47,379,000</b>

### Generation

Capital Projects:	17,950,000	28,560,000
Additions and Replacements:	4,622,000	1,758,000
<b>Generation Total</b>	<b>22,572,000</b>	<b>30,318,000</b>

### Power Management

Capital Projects:	14,713,000	11,389,000
<b>Power Management Total</b>	<b>14,713,000</b>	<b>11,389,000</b>

### Transmission & Distribution

Capital Projects:	9,587,000	5,041,000
Additions and Replacements:	41,492,000	42,108,000
<b>Transmission &amp; Distribution Total</b>	<b>51,079,000</b>	<b>47,149,000</b>

### Utility Technology Services

Capital Projects:	16,729,000	10,720,000
Additions and Replacements:	3,672,000	2,943,000
<b>Utility Technology Services Total</b>	<b>20,401,000</b>	<b>13,663,000</b>

<b>Sub-Total</b>	<b>\$149,723,000</b>	<b>\$149,898,000</b>
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Projects Funded from New Bonds	(60,051,000)	(89,661,000)
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<b>Total Operating Fund Capital Outlay</b>	<b>\$89,672,000</b>	<b>\$60,237,000</b>
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<b>TACOMA POWER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **CLICK! Network A & R**

Broadband Services - Comm	\$150,000	\$0
Click! Equipment	50,000	0
Customer Related Equip - Comm	694,000	0
FTTH ONT/OLT & Cabinets	100,000	0
Headend Replace & Upgrades - Comm	150,000	0
HFC Network Infrastructure Enhancements - Power	80,000	0
Network Infill MDU - Comm	149,000	0
Network Upgrades & Replacements - Power	164,000	0
New Service Drop Capitalization - Comm	200,000	0
Node Upgrades	60,000	0
<b>Click! Network Total</b>	<b>\$1,797,000</b>	<b>\$0</b>

#### **General Plant Capital Projects**

2021/22 Fleet Capital	\$0	\$14,800,000
Advanced Metering Infrastructure (AMI)	24,325,000	22,918,000
Capital Funding	8,678,000	4,677,000
ECC Battery Monitoring	0	122,000
Facilities ABN Main Fan Modernization	0	878,000
Tacoma Power Storage Facility	2,945,000	0
Service Division Capital-Customer Service	223,000	94,000
TPU ABN Main Floor Data Center Power System Upgrade	186,000	0
TPU ABN West Vault Electrical Equipment Replacement	170,000	0
TPU ABS Transfer Switch Replacement	230,000	0
Tacoma Power Facility Elevator Controls Upgrade	0	2,465,000

#### **General Plant A & R**

Facilities Critical Operations Power Systems	226,000	0
General Plant	901,000	200,000
Tacoma Power Security Upgrade	1,277,000	1,225,000
<b>General Plant Total</b>	<b>\$39,161,000</b>	<b>\$47,379,000</b>

#### **Generation Capital Projects**

Alder Cooling Water Pipe Replacements (2" Pipe)	\$177,000	\$0
Cowlitz Falls Downstream Fish Passage	0	408,000
Cowlitz Falls Fish Facility Start-Up (Downstream Fish Passage)	927,000	0
Cowlitz Fish Release Site Development - Tilton & Upper Cowlitz	821,000	0
Cowlitz Mossyrock Dam Guard Valve and Stop Logs	0	109,000
Cowlitz Mossyrock PDS-6 Replacement	0	289,000
Cowlitz Trout Hatchery Remodel	3,500,000	4,250,000
Cushman #1 Dam ROV Replacement	2,867,000	3,250,000
Cushman #2 Spillway Gate Remote Operation	237,000	0
Cushman #2 Station Service Upgrades (EG, ATS & SWGR)	612,000	0

<b>TACOMA POWER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

Cushman #2 U31, U32 Unit Rebuild	0	4,250,000
Cushman Barrier Dam Repair Cont.	0	6,800,000
Cushman FSC Juvenile Fish Collector Upgrades	0	656,000
Cushman Powerhouse Cranes - Crane Upgrades	141,000	425,000
LaGrande Units 1 - 4 Excitation AC Supply Replacement	266,000	0
LaGrande Units 1 - 4 Protection Relay Replacement	223,000	0
LaGrande Downstream Fish Barrier - FERC	527,000	0
Mayfield Unit 41 Exciter Replacement	309,000	0
Mayfield Units 42, 43, 44 Generator Breaker Replacement	999,000	0
Mayfield Fish Passage Modification	1,672,000	0
Mayfield Water System Replacements & Upgrades	920,000	0
Mossyrock Dam ROV & Guard Valve Upgrades	500,000	0
Mossyrock Units 51 & 52 Generator Breakers	2,495,000	0
Nisqually Alder U11 Generator Rewind	0	8,123,000
Strong Motion Accelerometer (SMA) Replacement and Upgrade	200,000	0
Wynoochee Dam Electrical Power System Upgrade	557,000	0

#### **Generation A & R**

ADA Improvements	50,000	0
Cowlitz Project Generation	208,000	132,000
Cowlitz Project Recreation	192,000	108,000
Cushman Project Generation	200,000	127,000
Fish Facilities	1,434,000	425,000
Generation Electrical	244,000	175,000
Generation Paving	100,000	46,000
Hydro Plant Automation	268,000	340,000
Hydro Plant Mechanical	179,000	42,000
Hydro Plant Water and Sewer Systems	0	55,000
Hydro Wildlife	50,000	0
Natural Resources	50,000	51,000
Nisqually Project Generation	200,000	112,000
Nisqually Project Recreation	110,000	77,000
Plant Engineering	115,000	17,000
TPU Facility Energy Conservation	907,000	0
Water and Sewer Systems	217,000	0
Wynoochee River Project Generation	98,000	51,000

<b>Generation Total</b>	<b>\$22,572,000</b>	<b>\$30,318,000</b>
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#### **Power Management Capital Projects**

2019/20 Conservation Portfolio	\$14,713,000	\$0
2021/22 Conservation Portfolio	0	11,000,000
Energy Imbalance Market (EIM)	0	331,000
Energy Trading and Risk Management system (ETRM)	0	58,000
<b>Power Management Total</b>	<b>\$14,713,000</b>	<b>\$11,389,000</b>

<b>TACOMA POWER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **Transmission & Distribution Capital Projects**

#6 Copper Conductor Replacement	\$1,500,000	\$1,550,000
Distribution Efficiency Program	180,000	207,000
Distribution Substation Transformer Replacement Program	2,878,000	2,145,000
Distribution System Upgrades	1,488,000	678,000
Mayfield Bank 1 Transformer Replacement	3,267,000	0
Narrows and North Bay Tower Fall Protection	0	178,000
Replace Digital Fault Recorders	0	283,000
Transmission Line Auto Sectionalizing	274,000	0

#### **Transmission & Distribution A & R**

Central Business District	2,726,000	2,981,000
Distribution Transformer Purchase	3,362,000	3,457,000
HFC Infill Construction	1,855,000	0
HFC Road Projects - Power Apps	1,029,000	433,000
Meters and Devices	919,000	2,308,000
New Services	4,823,000	3,822,000
Overhead Dist & Trans	14,998,000	14,834,000
Distribution UG/PM Switchgear Replacement	474,000	484,000
Protection & Controls	776,000	1,511,000
Rental Light	841,000	787,000
Roads / Public R/W	4,000,000	5,262,000
Substation	2,268,000	2,152,000
T&D Tools and Materials	135,000	185,000
Transmission	800,000	1,683,000
Underground	2,486,000	2,209,000
<b>Transmission &amp; Distribution Total</b>	<b>\$51,079,000</b>	<b>\$47,149,000</b>

#### **Utility Technology Services Capital Projects**

Asset Analytics	\$64,081	\$0
Asset Investment Planning Software	0	695,918
Automated Fleet Fuel Management	443,168	155,479
Automated Testing	222,664	0
Avista Decision Support System Integration	500,310	0
Customer Engagement Portal	0	779,168
Facility/Comm Systems Monitoring	1,011,121	0
Financial Planning Software	0	1,020,663
ITSM/ITAM Tool Enhancements	346,701	0
Land Mobile Radio	2,045,241	0
Market Integration Tools	1,701,438	0
Physical Access Control System Replacement	0	1,331,603
Power GIS Modernization	3,830,245	3,905,951
Technology Contingency	0	0

<b>TACOMA POWER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>
TPU Auditorium TV Tacoma Upgrade	389,286	123,160
TPU Conference Rooms Tech Refresh	302,542	0
TPU Operations Center Ph2	817,470	0
Wan Modernization	1,962,821	2,102,451
Workforce Connect	3,049,334	605,607
Workplace Giving Automation	42,578	0
<b><u>Utility Technology Services A &amp; R</u></b>		
Analytics & Data Management	0	1,180,000
Communications	1,551,000	951,000
Cybersecurity and Resilience	636,000	194,000
System Administration	1,244,000	499,000
Telephony	241,000	119,000
<b>Utility Technology Services Total</b>	<b>\$20,401,000</b>	<b>\$13,663,000</b>
<b>Total Capital Outlay</b>	<b>\$149,723,000</b>	<b>\$149,898,000</b>

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**TACOMA WATER**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**



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<b>TACOMA WATER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

## **REVENUE**

Operating Revenue			
Water Sales	\$166,047,374	\$168,370,780	\$188,769,850
Anticipated Additional Revenue	0	6,363,724	5,704,357
Other Operating Revenue	15,581,712	7,992,092	7,939,267
<b>Total Operating Revenue</b>	<b>181,629,086</b>	<b>182,726,596</b>	<b>202,413,474</b>
Non-Operating Revenue			
Interest	2,299,294	600,000	600,000
BABS Interest Federal Subsidy	5,555,737	5,540,624	5,594,130
Miscellaneous	658,393	465,384	1,157,602
Transfers from other Funds:			
Capital Reserve Fund	0	22,002,893	41,719,154
System Development Charge Fund	0	0	6,760,852
Appropriation from Fund Balance	0	16,956,044	23,404,386
<b>Total Revenue &amp; Available Funds</b>	<b>\$190,142,510</b>	<b>\$228,291,541</b>	<b>\$281,649,598</b>

## **EXPENDITURES**

Personnel Costs	\$48,474,424	\$57,949,725	\$62,124,823
Supplies, Services & Other Charges	50,201,790	57,146,959	62,181,005
Taxes - Current Revenue Estimate	24,889,190	24,037,673	26,671,744
Taxes - Anticipated Additional Revenue	0	829,129	743,221
Debt Service	54,075,065	53,216,486	50,597,584
Capital Outlay	6,646,594	35,111,569	79,331,221
<b>Total Expenditures</b>	<b>\$184,287,062</b>	<b>\$228,291,541</b>	<b>\$281,649,598</b>

## **CAPITAL OUTLAY FINANCING DETAIL**

Funded from Operating Fund		\$13,108,674	\$30,851,215
Funded from Capital Reserve Fund		22,002,895	41,719,154
Funded from System Development Charge Fund		0	6,760,852
Funded from Existing Bonds		26,254,910	0
<b>Total Capital Outlay</b>		<b>\$61,366,479</b>	<b>\$79,331,221</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>272.5 / 274.5</b>	<b>287.8 / 290.8</b>	<b>300.8 / 300.8</b>
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Prior years may have been reclassified or restated to reflect organizational changes.

<b>TACOMA WATER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **REVENUE SUMMARY**

Water Sales	\$166,047,374	\$168,370,780	\$188,769,850
Anticipated Additional Revenue	0	6,363,724	5,704,357
Other Operating Revenue	15,581,712	7,992,092	7,939,267
<b>Total Operating Revenue</b>	<b>181,629,086</b>	<b>182,726,596</b>	<b>202,413,474</b>
Non-Operating Revenue	8,513,424	28,608,901	55,831,738
Appropriation from Fund Balance	0	16,956,044	23,404,386

<b>Total Revenue &amp; Available Funds</b>	<b>\$190,142,510</b>	<b>\$228,291,541</b>	<b>\$281,649,598</b>
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#### **REVENUE DETAIL**

##### **Water Sales**

Residential	\$106,411,332	\$116,422,335	\$122,427,929
Pulp Mill	13,195,870	13,808,205	14,337,051
Wholesale	6,322,478	5,418,301	5,685,926
Other Water Sales	40,117,694	32,721,939	46,318,944
	166,047,374	168,370,780	188,769,850
Anticipated Additional Revenue	0	6,363,724	5,704,357
<b>Total Water Sales</b>	<b>166,047,374</b>	<b>174,734,504</b>	<b>194,474,207</b>

Cascade Water Alliance	5,278,269	5,036,541	4,766,667
Public Fire Protection	6,924,791	0	0
Miscellaneous Water Revenue	3,378,652	2,955,551	3,172,600
<b>Total Other Operating Revenue</b>	<b>15,581,712</b>	<b>7,992,092</b>	<b>7,939,267</b>

<b>Total Operating Revenue</b>	<b>181,629,086</b>	<b>182,726,596</b>	<b>202,413,474</b>
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##### **Other Income**

Interest	2,299,294	600,000	600,000
BABS Interest Federal Subsidy	5,555,737	5,540,624	5,594,130
Miscellaneous	658,393	465,384	1,157,602
Transfers from Other Funds:			
Capital Reserve Fund	0	22,002,893	41,719,154
System Development Charge	0	0	6,760,852
<b>Total Non-Operating Revenue</b>	<b>8,513,424</b>	<b>28,608,901</b>	<b>55,831,738</b>

Appropriation from Fund Balance	0	16,956,044	23,404,386
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<b>Total Revenue &amp; Available Funds</b>	<b>\$190,142,510</b>	<b>\$228,291,541</b>	<b>\$281,649,598</b>
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<b>TACOMA WATER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **SUMMARY - Operation & Maintenance by Section**

Water Administration	\$57,860,121	\$59,436,902	\$0
Water Administration, Strategy & Safety	0	0	66,380,037
Distribution Engineering	5,039,361	6,475,944	0
Distribution Operations	20,723,596	26,275,717	0
Quality	12,950,852	15,530,433	0
Supply	18,173,531	19,345,826	0
Asset and Information Management	6,438,406	8,264,560	0
Rates and Financial Planning	2,379,537	4,634,104	0
Maintenance & Construction	0	0	36,967,833
Business Services	0	0	12,693,587
Customer & Employee Experience	0	0	6,809,960
Planning & Engineering	0	0	13,446,717
Source Water & Treatment Ops	0	0	15,422,659

<b>Total for Division</b>	<b>\$123,565,404</b>	<b>\$139,963,486</b>	<b>\$151,720,793</b>
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#### **SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$43,696,852	\$51,164,691	\$55,531,451
Employee Benefits	17,439,360	19,861,443	23,306,701
Capital Credit & Labor To/From Others	(12,661,788)	(13,076,408)	(16,713,329)
<b>Total Personnel Costs</b>	<b>48,474,424</b>	<b>57,949,725</b>	<b>62,124,823</b>
Supplies	13,638,353	16,204,628	16,962,270
Services	12,983,588	14,294,791	13,847,823
Other Charges	3,336,177	3,464,542	4,914,673
Assessments	20,243,672	23,182,998	26,456,239
Taxes	24,889,190	24,866,802	27,414,965

<b>Total for Division</b>	<b>\$123,565,404</b>	<b>\$139,963,486</b>	<b>\$151,720,793</b>
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<b>TACOMA WATER Taxes</b>	<b>2017-18 Biennium Actual</b>	<b>2019-20 Biennium Budget</b>	<b>2021-22 Biennium Budget</b>
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#### **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (8.0%)	\$14,839,274	\$14,132,161	\$15,735,417
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State of Washington:

Utility & Business Taxes	8,647,916	8,380,257	9,426,027
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Other*	1,402,000	1,525,255	1,510,300
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Subtotal	<b>24,889,190</b>	<b>24,037,673</b>	<b>26,671,744</b>
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Anticipated Additional Revenue\*\*

Gross Earnings Tax (8.0%)		509,098	456,349
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Utility & Business Taxes		320,031	286,872
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Other*		0	0
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	829,129	743,221
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Total City and Utility Tax	<b>24,889,190</b>	<b>24,866,802</b>	<b>27,414,965</b>
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Federal Taxes (FICA)	3,222,553	3,825,955	4,212,510
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<b>Total Tacoma Water Taxes</b>	<b>28,111,743</b>	<b>\$28,692,757</b>	<b>\$31,627,475</b>
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Note: State Sales Tax is included in O & M Budget line items for materials.

FICA tax is included in O & M Budget line items for personnel costs/employee benefits.

\* Other includes franchise, administrative and other fees paid to other cities and entities and fire patrol assessments paid to WA State DNR.

\*\* Taxes on anticipated additional revenue due to rate increase.

<b>TACOMA WATER</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **DEBT SERVICE SUMMARY**

Interest	\$29,744,843	\$27,890,453	\$25,663,759
Principal	24,330,222	25,326,033	24,933,825

<b>Total Debt Service</b>	<b>\$54,075,065</b>	<b>\$53,216,486</b>	<b>\$50,597,584</b>
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### **DEBT SERVICE DETAIL**

#### **BONDS**

2005 Bonds	Interest	\$503	\$500	\$500
\$5,000 remaining after refund	Principal	0	0	0

2009 Build America Bonds	Interest	8,822,167	8,830,661	8,830,661
\$76,775,000				

2010 Refunding of 2001 Bonds	Interest	2,347,875	1,853,400	0
\$26,395,000	Principal	4,785,425	8,360,000	0

2010 Build America Bonds	Interest	8,154,794	8,154,705	8,154,705
\$74,985,000				

2013 Refunding of 2003 Bonds	Interest	5,948,400	5,948,400	5,948,400
\$74,355,000	Principal	0	0	0

2015 Refunding Bonds	Interest	1,473,937	1,158,000	825,230
\$18,430,000	Principal	5,825,838	3,110,000	3,439,583

2020 Bank Loan Refunding of 2010	Interest	0	0	295,000
\$17,466,514	Principal	0	0	9,078,785

#### **LOANS**

Public Works Trust Fund Loans	Interest	227,497	186,629	120,344
	Principal	5,393,531	5,393,542	4,167,701

State Drinking Water Fund Loans	Interest	2,104,449	1,758,158	1,488,919
	Principal	8,325,428	8,462,492	8,247,756

2018 Interest During Construction		665,222	0	0
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<b>Total Debt Service</b>	<b>\$54,075,065</b>	<b>\$53,216,486</b>	<b>\$50,597,584</b>
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<b>TACOMA WATER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **SUMMARY**

General Plant	\$16,795,574	\$38,867,535
Water Source	8,329,371	18,557,947
Water Treatment	4,173,620	3,296,359
Water Distribution	32,067,914	18,609,380

<b>Sub-Total</b>	<b>\$61,366,479</b>	<b>\$79,331,221</b>
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Projects Funded from Existing Bonds	(26,254,910)	0
Projects Funded from Water Operating Reserve Fund	0	30,851,215
Projects Funded from Water Capital Reserve Fund	0	41,719,154
Projects Funded from System Development Charge Fund	0	6,760,852

<b>Total Operating Fund Capital Outlay</b>	<b>35,111,569</b>	<b>79,331,221</b>
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#### **General Plant**

UTS and Customer Service Projects	\$2,506,266	\$1,953,208
Advanced Meter Infrastructure (AMI)	13,108,675	23,762,856
Non-Program AMI Costs	0	5,176,800
Land Purchases and Contingency	500,000	1,374,000
Unanticipated Capital Project Contingency	680,633	1,200,000
Fleet Additions and Replacements	0	5,400,671
<b>General Plant Total</b>	<b>\$16,795,574</b>	<b>\$38,867,535</b>

#### **Water Source**

Cathodic Protection	\$500,000	\$350,000
Well Renewal and Replacement	400,000	0
Supply Tools	50,000	0
Supply System Improvements	702,825	0
Hood Street Reservoir Seismic Improvements	1,047,600	3,056,700
Water Operations Building Renovations and Seismic Improvements	4,129,800	4,429,395
Replace PL1 at Puyallup River	200,000	0
Seismic Improvement to Steel Reservoirs	304,146	0
Addition of Isolation Valve at Indian Hill Reservoir	100,000	0
Well 12A Pipe Supports	100,000	0
Add Seismic Valves to Alaska Street Reservoir	195,000	0
McMillin PS#1 and McMillin Gate House Genset Replacement	200,000	0
Re-Architecture of SCADA Network for connection to TPU Ops LAN	400,000	0
South Tacoma Pump Station and Hood Street Facilities Improvemer	0	1,540,000
Groundwater Prioritization	0	2,770,000

<b>TACOMA WATER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

Pipeline 1 Pressurization	0	750,000
Tacoma Water SCADA Modernization	0	275,000
Tehlaeh 950 Reservoir and 1010 Pump Station	0	5,386,852
<b>Water Source Total</b>	<b>\$8,329,371</b>	<b>\$18,557,947</b>

#### **Water Treatment**

Built Forestland Assets	\$75,000	\$50,000
Palmer Area Improvements	50,000	385,000
Muckleshoot Agreement	500,000	500,000
Corrosion Control GPL Wells	2,000,000	1,090,000
Portable Sample Stations	0	5,000
Dedicated Distribution System Sample Stations	48,000	32,000
MIT Kapowsin Remediation	594,902	457,433
Water Treatment Tools and Equipment	200,000	0
1st Diversion:		
North Fork Wells PFC Capacitors	0	51,448
North Fork Wells Renewal and Replacement	299,746	225,463
North Fork Wells Control Valves	53,052	23,873
North Fork 7 Motor	15,916	0
HCP Culvert Replacement	24,444	0
Watershed Tools and Equipment	43,452	43,450
Watershed Betterments	86,905	86,900
Major Treatment Equipment	123,839	141,864
Security Gates and Cameras	58,364	58,370
Fleet Additions and Replacements	0	145,558
<b>Water Treatment Total</b>	<b>\$4,173,620</b>	<b>\$3,296,359</b>

#### **Water Distribution**

FRP: Franchise Required Projects	\$200,000	\$350,000
MRP: Proposition 3/Proposition A Projects	200,000	200,000
MRP: Projects of Opportunity	0	7,866,243
WDP: Water Division Projects	1,867,250	200,000
MRP: Main Replacement Projects	9,333,398	0
MRP: Galvanized Main Replacement Projects	2,307,596	0
MRP: Sound Transit Light Rail Ext MLK	3,297,204	0
MRP: Curran Road Improvements	2,196,414	0
Main Retirements	100,000	50,000
LID/Contract Contributions	200,000	0
Lead Gooseneck Replacement Program	5,527,052	400,000
Hydrant Installation and Replacements	460,000	460,000



<b>TACOMA WATER</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>
Service Renewal and Replacements	4,685,000	4,674,051
Valve Installation and Replacements	655,000	655,000
Capital Meters	650,000	260,000
Blowoff Installation and Replacements	335,000	335,000
Water Bottle Refill Stations	54,000	28,867
Portable Test Meter	0	10,000
MRP: Modern Driven Projects	0	381,533
Curran Road Acquisition	0	2,708,686
Large Meter Test Bench	0	30,000
<b>Water Distribution Total</b>	<b>\$32,067,914</b>	<b>\$18,609,380</b>
<b>Total Capital Outlay</b>	<b>\$61,366,479</b>	<b>\$79,331,221</b>

**TACOMA RAIL**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**

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<b>TACOMA RAIL</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Switching Revenue	\$57,289,711	\$64,371,705	\$68,627,032
Miscellaneous Revenue	6,592,400	8,048,000	7,722,000
<b>Total Operating Revenue</b>	<b>63,882,111</b>	<b>72,419,705</b>	<b>76,349,032</b>
Other Income	2,365,159	2,946,301	1,982,626

<b>Total Revenue &amp; Available Funds</b>	<b>\$66,247,269</b>	<b>\$75,366,006</b>	<b>\$78,331,658</b>
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### **EXPENDITURES**

Personnel Costs	\$32,751,908	\$33,984,306	\$37,305,788
Supplies, Services & Other Charges	21,251,821	23,024,900	24,638,372
Taxes	6,203,116	7,016,314	7,639,000
Debt Service	1,640,493	1,640,486	1,768,498
Capital Outlay	1,078,421	9,700,000	6,980,000

<b>Total Expenditures</b>	<b>\$62,925,760</b>	<b>\$75,366,006</b>	<b>\$78,331,658</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Funded from Operating Fund	\$9,700,000	\$6,980,000
Funded from Anticipated Bank Loan Proceeds/Grants	2,550,000	3,260,000

<b>Total Capital Outlay</b>	<b>\$12,250,000</b>	<b>\$10,240,000</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>118.0 / 118.0</b>	<b>126.0 / 126.0</b>	<b>127.0 / 127.0</b>
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<b>TACOMA RAIL</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **REVENUE SUMMARY**

Switching Revenue	\$57,289,711	\$64,371,705	\$68,627,032
Miscellaneous Revenue	6,592,400	8,048,000	7,722,000
<b>Total Operating Revenue</b>	<b>63,882,111</b>	<b>72,419,705</b>	<b>76,349,032</b>
Other Income	2,365,159	2,946,301	1,982,626

<b>Total Revenue &amp; Available Funds</b>	<b>\$66,247,269</b>	<b>\$75,366,006</b>	<b>\$78,331,658</b>
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#### **REVENUE DETAIL**

##### **Switching Revenue**

Line Hauls & Local	\$54,582,342	\$61,656,705	\$65,987,032
Demurrage	2,707,369	2,715,000	2,640,000
	57,289,711	64,371,705	68,627,032
Anticipated Additional Revenue	0	0	0
<b>Total Switching Revenue</b>	<b>57,289,711</b>	<b>64,371,705</b>	<b>68,627,032</b>

Locomotive Servicing	6,088,308	7,350,000	7,200,000
Miscellaneous Revenue	504,092	698,000	522,000
<b>Total Miscellaneous Revenue</b>	<b>6,592,400</b>	<b>8,048,000</b>	<b>7,722,000</b>
<b>Total Operating Revenue</b>	<b>63,882,111</b>	<b>72,419,705</b>	<b>76,349,032</b>

##### **Other Income**

Rent & Other Income	2,110,400	2,220,000	962,400
Interest Income	254,759	225,000	390,000
<b>Total Non-Operating Revenue</b>	<b>2,365,159</b>	<b>2,445,000</b>	<b>1,352,400</b>

Appropriation from Fund Balance	0	501,301	630,226
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<b>Total Revenue &amp; Available Funds</b>	<b>\$66,247,269</b>	<b>\$75,366,006</b>	<b>\$78,331,658</b>
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<b>TACOMA RAIL</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Section**

Rail Administration	\$18,988,567	\$21,346,001	\$21,325,796
Operations	22,926,590	24,502,263	26,589,274
Mechanical	12,728,731	13,089,567	16,013,329
Construction	5,562,957	5,087,688	5,654,760

<b>Total for Division</b>	<b>\$60,206,845</b>	<b>\$64,025,520</b>	<b>\$69,583,160</b>
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**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$22,138,345	\$25,690,332	\$26,559,347
Employee Benefits	11,888,553	9,896,974	11,366,441
Capital Credit & Labor To/From Others	(1,274,990)	(1,603,000)	(620,000)
<b>Total Personnel Costs</b>	<b>32,751,908</b>	<b>33,984,306</b>	<b>37,305,788</b>
Supplies	2,782,681	2,899,812	2,767,091
Services	8,680,485	9,547,202	13,215,254
Other Charges	6,555,280	6,529,080	3,766,652
Assessments	3,233,375	4,048,806	4,889,375
Taxes	6,203,116	7,016,314	7,639,000

<b>Total for Division</b>	<b>\$60,206,845</b>	<b>\$64,025,520</b>	<b>\$69,583,160</b>
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<b>TACOMA RAIL</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Taxes</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **TAX PAYMENTS**

City of Tacoma:

Gross Earnings Tax (8.0%)	\$5,299,820	\$5,985,000	\$6,319,000
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State of Washington:

Utility & Business Tax	897,890	1,030,000	1,315,000
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Other Taxes	5,406	1,314	5,000
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Subtotal	<b>6,203,116</b>	<b>7,016,314</b>	<b>7,639,000</b>
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Federal Railroad Taxes	4,310,435	4,430,662	4,649,046
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<b>Total Tacoma Rail Taxes</b>	<b>\$10,513,552</b>	<b>\$11,446,976</b>	<b>\$12,288,046</b>
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Note: State Sales Tax is included in O & M Budget line items for materials.

Federal Railroad Taxes are paid in lieu of FICA and Retirement and are included in personnel services.

TACOMA RAIL	2017-18	2019-20	2021-22
Debt Service	Biennium Actual	Biennium Budget	Biennium Budget

#### **DEBT SERVICE SUMMARY**

Interest	\$0	\$0	\$0
Principal	1,640,493	1,640,486	1,768,498

<b>Total Debt Service</b>	<b>\$1,640,493</b>	<b>\$1,640,486</b>	<b>\$1,768,498</b>
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#### **DEBT SERVICE DETAIL**

Rail Bank Loans	Principal	1,640,493	1,640,486	1,768,498
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<b>Total Debt Service</b>	<b>\$1,640,493</b>	<b>\$1,640,486</b>	<b>\$1,768,498</b>
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<b>TACOMA RAIL</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **SUMMARY**

General Plant	\$41,084	\$0
Communications	400,000	0
Facility Upgrades	3,300,000	4,085,000
Rail Equipment/Vehicles	2,675,000	1,510,000
Track Improvements	5,833,916	4,645,000

<b>Sub-Total</b>	<b>\$12,250,000</b>	<b>\$10,240,000</b>
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Projects Funded from Grants	(\$2,100,000)	(\$2,660,000)
Projects Funded from Rail Bank Loan Proceeds	(450,000)	0
Projects Funded from Anticipated Bank Loan Proceeds	0	(600,000)

<b>Total Operating Fund Capital Outlay</b>	<b>\$9,700,000</b>	<b>\$6,980,000</b>
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### **General Plant**

TPU Auditorium TV Upgrade	\$41,084	\$0
<b>General Plant Total</b>	<b>\$41,084</b>	<b>\$0</b>

### **Communications**

Radio Repeater Upgrades	\$400,000	\$0
<b>Communications Total</b>	<b>\$400,000</b>	<b>\$0</b>

### **Facility Upgrades**

Cameras	\$0	\$190,000
West Barn Roof	0	195,000
West Shop Floors	0	500,000
ITS Project	300,000	300,000
Secondary Fueling Upgrades	2,900,000	2,900,000
Locomotive Load Box	50,000	0
Stormwater Treatment and Filtration	50,000	0
<b>Facility Upgrades Total</b>	<b>\$3,300,000</b>	<b>\$4,085,000</b>

<b>TACOMA RAIL</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **Rail Equipment/Vehicles**

Track Ballast Tamper	\$0	\$400,000
Locomotive Repower	2,500,000	750,000
Vehicles	150,000	360,000
Lift Truck (Fork Lift)	25,000	0
<b>Rail Equipment/Vehicles Total</b>	<b>\$2,675,000</b>	<b>\$1,510,000</b>

#### **Track Improvement Projects**

Yard Track Upgrades	\$0	\$1,100,000
Bootjack/Transfer Lead Upgrades	0	245,000
Taylor Way Wye Curve Relay	0	125,000
Lincoln Track Upgrades (Blair)	0	675,000
Port Road - Lianga Curve	0	700,000
Port Road - HITW Stub	0	100,000
US Oil Crossings	0	700,000
Tidelands Infrastructure Improvements	1,633,916	1,000,000
Tote Yard Upgrades	1,000,000	0
Marine View Drive Rail Relay	1,700,000	0
Marine View Drive Crossing Signals	1,250,000	0
Taylor Way Crossings	250,000	0
<b>Track Improvement Projects Total</b>	<b>\$5,833,916</b>	<b>\$4,645,000</b>

<b>Total Capital Outlay</b>	<b>\$12,250,000</b>	<b>\$10,240,000</b>
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**FLEET SERVICES FUND**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**

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<b>FLEET SERVICES</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **REVENUE**

Replacement Fees	\$4,995,043	\$6,979,830	\$592,774
Administrative Overhead	2,730,422	2,827,007	2,444,110
Fees for Services	4,727,897	6,721,751	8,514,837
<b>Total Operating Revenue</b>	<b>12,453,362</b>	<b>16,528,588</b>	<b>11,551,721</b>
Other Income	1,065,084	50,000	50,000
Appropriation from Fund Balance	0	9,800,670	0

<b>Total Revenue &amp; Available Funds</b>	<b>\$13,518,447</b>	<b>\$26,379,258</b>	<b>\$11,601,721</b>
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#### **EXPENDITURES**

Personnel Costs	\$5,982,492	\$6,767,495	\$7,974,817
Supplies	128,860	237,576	212,196
Services	644,174	506,928	987,962
Other Charges	783,867	738,193	864,085
Assessments	1,359,841	1,348,567	969,887
<b>Total Operations &amp; Maintenance</b>	<b>8,899,234</b>	<b>9,598,758</b>	<b>11,008,947</b>
<b>Capital Outlay</b>	<b>7,979,211</b>	<b>16,780,500</b>	<b>592,774</b>

<b>Total Expenditures</b>	<b>\$16,878,445</b>	<b>\$26,379,258</b>	<b>\$11,601,721</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>29.0 / 29.0</b>	<b>30.0 / 30.0</b>	<b>32.0 / 32.0</b>
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**SELF-INSURANCE FUND**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**



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<b>SELF-INSURANCE CLAIM FUND</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

#### Sources of Revenue

Transfers - Tacoma Power	\$3,100,000	\$2,000,000	\$2,075,512
Transfers - Tacoma Water	480,000	480,000	480,000
Transfers - Tacoma Rail	866,667	1,200,000	480,000
Interest	195,381	150,000	200,000
Appropriation from Fund Balance	0	2,882,450	2,480,688

<b>Total Revenue &amp; Available Funds</b>	<b>\$4,642,048</b>	<b>\$6,712,450</b>	<b>\$5,716,200</b>
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### **EXPENDITURES**

Secondary Labor Costs	\$8,352	\$0	\$0
Supplies	1,168	1,700	600
Services	537,160	1,506,500	1,506,500
Other Charges	3,560,913	5,012,250	4,012,100
Assessments	278,892	192,000	197,000

<b>Total Expenditures</b>	<b>\$4,386,485</b>	<b>\$6,712,450</b>	<b>\$5,716,200</b>
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**FAMILY NEED FUND**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**

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<b>FAMILY NEED FUND</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **RECEIPTS**

Public Contributions	\$42,887	\$0	\$0
Tacoma Power Contribution	200,000	1,000,000	2,000,000
Interest	47,412	0	0
Appropriation from Fund Balance	0	1,500,000	500,000

<b>Total Receipts</b>	<b>\$290,298</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
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#### **EXPENDITURES**

Family Need	\$392,883	\$2,500,000	\$2,500,000
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<b>Total Expenditures</b>	<b>\$392,883</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
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Tacoma Water has their own program outside of this fund.

Additional Administrative expenses are paid by Tacoma Power and are included in Power's budget.

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**ADMINISTRATIVE OFFICES  
and  
TPU SUPPORT SERVICES**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**



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<b>TPU ADMINISTRATION</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$8,753,754	\$10,356,363	\$11,907,126
Employee Benefits	2,923,068	3,540,857	4,635,306
Capital Credit & Labor To/From Others	(187,755)	(210,050)	(238,500)
<b>Total Personnel Costs</b>	<b>11,489,067</b>	<b>13,687,170</b>	<b>16,303,932</b>
Supplies	355,165	391,530	454,877
Services	2,108,883	2,571,767	2,113,268
Other Charges	1,761,961	2,158,353	2,247,623
Assessments	639,839	725,376	942,464

<b>Total for TPU Administration</b>	<b>\$16,354,915</b>	<b>\$19,534,196</b>	<b>\$22,062,163</b>
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**Director & Board (575100)**

Salaries & Wages	\$1,591,053	\$1,166,200	\$1,238,316
Employee Benefits	276,388	296,604	334,243
Capital Credit & Labor To/From Others	33,671	40,000	40,000
<b>Total Personnel Costs</b>	<b>1,901,111</b>	<b>1,502,804</b>	<b>1,612,559</b>
Supplies	73,910	72,585	102,079
Services	339,823	354,000	302,500
Other Charges	478,330	581,149	579,431
Assessments	79,942	70,677	100,036
<b>Total</b>	<b>\$2,873,117</b>	<b>\$2,581,215</b>	<b>\$2,696,605</b>

**Management Services Office (575200)**

Salaries & Wages	\$2,006,674	\$2,210,036	\$2,279,452
Employee Benefits	744,972	773,326	867,342
Capital Credit & Labor To/From Others	(867)	12,000	0
<b>Total Personnel Costs</b>	<b>2,750,779</b>	<b>2,995,362</b>	<b>3,146,794</b>
Supplies	33,540	42,451	69,795
Services	65,269	144,000	131,335
Other Charges	162,883	184,102	184,097
Assessments	169,016	164,713	172,537
<b>Total</b>	<b>\$3,181,489</b>	<b>\$3,530,629</b>	<b>\$3,704,558</b>

TPU ADMINISTRATION	2017-18	2019-20	2021-22
Section Consolidation	Biennium Actual	Biennium Budget	Biennium Budget

#### Public Records Office (575201)

Salaries & Wages		\$672,870	\$849,463
Employee Benefits		262,369	383,411
Capital Credit & Labor To/From Others		0	0
<b>Total Personnel Costs</b>	<b>0</b>	<b>935,239</b>	<b>1,232,874</b>
Supplies		83,281	19,998
Services		81,200	43,000
Other Charges		121,048	138,515
Assessments		0	0
<b>Total</b>	<b>\$0</b>	<b>\$1,220,768</b>	<b>\$1,434,387</b>

#### Public Records - Body Worn Cams (575202)\*

Salaries & Wages			\$485,505
Employee Benefits			269,049
Capital Credit & Labor To/From Others			0
<b>Total Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>754,554</b>
Supplies			50,000
Services			0
Other Charges			0
Assessments			118,408
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$922,962</b>

\*All costs assessed to General Government

#### Public Affairs (575701)

Salaries & Wages	\$1,469,718	\$2,025,678	\$2,064,610
Employee Benefits	490,713	695,234	746,998
Capital Credit & Labor To/From Others	240	0	0
<b>Total Personnel Costs</b>	<b>1,960,671</b>	<b>2,720,912</b>	<b>2,811,608</b>
Supplies	71,243	69,401	63,595
Services	508,154	531,650	426,614
Other Charges	177,864	247,809	489,695
Assessments	75,362	130,390	133,763
<b>Total</b>	<b>\$2,793,295</b>	<b>\$3,700,162</b>	<b>\$3,925,274</b>

<b>TPU ADMINISTRATION</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **Market Development (572000)**

Salaries & Wages	\$1,745,552	\$1,485,110	\$1,611,659
Employee Benefits	628,409	485,549	578,125
Capital Credit & Labor To/From Others	(6,183)	(300,000)	0
<b>Total Personnel Costs</b>	<b>2,367,778</b>	<b>1,670,659</b>	<b>2,189,785</b>
Supplies	55,348	29,576	38,298
Services	519,452	426,000	392,827
Other Charges	169,238	183,257	283,744
Assessments	79,425	88,529	93,090
<b>Total</b>	<b>\$3,191,240</b>	<b>\$2,398,021</b>	<b>\$2,997,744</b>

#### **Account Executives (572100)**

Salaries & Wages	\$577,998	\$676,267	\$873,682
Employee Benefits	218,192	239,806	346,287
Capital Credit & Labor To/From Others	10,400	0	0
<b>Total Personnel Costs</b>	<b>806,591</b>	<b>916,072</b>	<b>1,219,968</b>
Supplies	9,467	13,485	16,438
Services	81,479	48,973	39,992
Other Charges	73,948	45,357	53,298
Assessments	53,093	44,368	62,164
<b>Total</b>	<b>\$1,024,578</b>	<b>\$1,068,255</b>	<b>\$1,391,860</b>

#### **Communications (575700)**

Salaries & Wages	\$1,362,760	\$2,120,201	\$2,504,439
Employee Benefits	564,393	787,968	1,109,851
Capital Credit & Labor To/From Others	(225,016)	37,950	(278,500)
<b>Total Personnel Costs</b>	<b>1,702,137</b>	<b>2,946,120</b>	<b>3,335,790</b>
Supplies	111,657	80,751	94,674
Services	594,705	985,944	777,000
Other Charges	699,697	795,631	518,843
Assessments	183,000	226,700	262,466
<b>Total</b>	<b>\$3,291,196</b>	<b>\$5,035,146</b>	<b>\$4,988,772</b>

<b>Total for TPU Administration</b>	<b>\$16,354,915</b>	<b>\$19,534,196</b>	<b>\$22,062,163</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>38.0 / 38.0</b>	<b>45.0 / 45.0</b>	<b>54.0 / 54.0</b>
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<b>TPU SUPPORT SERVICES</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

**TPU Safety (575800)**

Salaries & Wages		\$354,144	
Employee Benefits		141,052	
Capital Credit & Labor To/From Others		0	
<b>Total Personnel Costs</b>	<b>0</b>	<b>495,196</b>	<b>0</b>
Supplies		17,390	
Services		500,000	
Other Charges		16,000	
Assessments		22,587	
<b>Total for TPU Safety</b>	<b>\$0</b>	<b>\$1,051,173</b>	<b>\$0</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>0.0 / 0.0</b>	<b>2.0 / 2.0</b>	<b>0.0 / 0.0</b>
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**TPU Real Property Services (576800)**

Salaries & Wages	\$138,969	\$1,342,690	\$1,447,299
Employee Benefits	68,574	514,320	603,291
Capital Credit & Labor To/From Others	1,432,384	0	0
<b>Total Personnel Costs</b>	<b>1,639,927</b>	<b>1,857,010</b>	<b>2,050,591</b>
Supplies	16,245	30,889	9,300
Services	7,891	19,400	3,400
Other Charges	161,624	164,549	186,833
Assessments	75,861	114,432	147,321
<b>Total for TPU Real Property Services</b>	<b>\$1,901,547</b>	<b>\$2,186,280</b>	<b>\$2,397,445</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>7.12 / 7.12</b>	<b>7.25 / 7.25</b>	<b>7.25 / 7.25</b>
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**TPU UTS Software & Desktop Support (579800)**

Salaries & Wages	\$1,102,326	\$1,456,677	\$1,167,788
Employee Benefits	392,407	521,614	429,889
Capital Credit & Labor To/From Others	(360,783)	(282,219)	0
<b>Total Personnel Costs</b>	<b>1,133,950</b>	<b>1,696,072</b>	<b>1,597,677</b>
Supplies	54,600	32,772	119,734
Services	786,306	255,000	1,313,109
Other Charges	215,034	518,098	609,120
<b>Total for TPU UTS Software &amp; Desktop Support</b>	<b>\$2,189,890</b>	<b>\$2,501,942</b>	<b>\$3,639,640</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>5.0 / 5.0</b>	<b>7.0 / 7.0</b>	<b>5.0 / 5.0</b>
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<b>TPU SUPPORT SERVICES</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

**Copier Services (577400)**

Salaries & Wages	(\$285)	\$0	\$0
Employee Benefits	0	0	0
Capital Credit & Labor To/From Others	0	60,000	50,000
<b>Total Personnel Costs</b>	<b>(285)</b>	<b>60,000</b>	<b>50,000</b>
Supplies	76,745	96,747	90,000
Services	125,069	288,000	320,000
Other Charges	399,218	442,770	457,684
Assessments	0	0	0
<b>Total for Copier Services</b>	<b>\$600,747</b>	<b>\$887,517</b>	<b>\$917,684</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>0.0 / 0.0</b>	<b>0.0 / 0.0</b>	<b>0.0 / 0.0</b>
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**TPU IT Dedicated Resources (575900)**

Salaries & Wages	\$1,919,079		
Employee Benefits	717,114		
Capital Credit & Labor To/From Others	0		
<b>Total Personnel Costs</b>	<b>2,636,193</b>	<b>0</b>	<b>0</b>
Supplies	16,748		
Services	6		
Other Charges	10		
Assessments	218,702		
<b>Total for TPU IT Dedicated Resources</b>	<b>\$2,871,659</b>	<b>\$0</b>	<b>\$0</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>11.0 / 11.0</b>	<b>0.0 / 0.0</b>	<b>0.0 / 0.0</b>
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**CUSTOMER SERVICES DIVISION**

**TACOMA PUBLIC UTILITIES**

**2021/2022**

**DRAFT PRELIMINARY BIENNIUM BUDGET**



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<b>CUSTOMER SERVICES</b>	<b>2017-18</b>	<b>2019-20</b>	<b>2021-22</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

#### **SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$21,148,825	\$23,538,872	\$25,792,306
Employee Benefits	9,376,756	9,981,044	11,961,154
Capital Credit & Labor To/From Others	(314,232)	(696,101)	(974,000)
<b>Total Personnel Costs</b>	<b>30,211,349</b>	<b>32,823,815</b>	<b>36,779,460</b>
Supplies	916,148	1,099,847	1,179,965
Services	1,804,764	2,353,154	3,545,399
Other Charges	3,957,339	4,958,880	4,961,751
Assessments	4,004,486	4,302,389	4,440,308
<b>Total Operation &amp; Maintenance</b>	<b>40,894,086</b>	<b>45,538,085</b>	<b>50,906,883</b>
<b>Capital Outlay</b>	<b>2,186,677</b>	<b>584,420</b>	<b>147,000</b>

<b>Total for Customer Services</b>	<b>\$43,080,763</b>	<b>\$46,122,505</b>	<b>\$51,053,883</b>
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#### **SUMMARY - Operation & Maintenance by Cost Center**

##### **Customer Services Administration**

579500 TPU CS Support Services	\$1,267,114	\$1,192,665	\$1,242,979
579600 TPU CS Switchboard	141,894	159,493	182,377
579700 TPU CS Administration	5,195,542	5,692,970	5,554,969

##### **Customer Services Performance Solutions**

578800 TPU CS Performance Solutions	2,187,266	2,866,501	3,987,742
577100 TPU CS Training	864,137	1,133,184	1,489,425

##### **Customer Services Operations**

578500 TPU CS Billing	3,585,909	4,463,426	2,643,828
578900 TPU CS Operations Admin	1,402,013	1,337,183	1,619,065
579100 TPU CS Mail Svcs	3,078,672	3,628,121	3,565,127
579200 TPU CS Field Investigation	4,221,802	4,135,498	4,831,438
579300 TPU TMB Mail Services	597,317	657,922	677,891
579400 TPU CS Meter Reading	3,837,499	3,883,741	4,810,656

##### **Customer Services Customer Solutions**

572400 TPU CS PayGo	541,448	580,165	0
572500 TPU CS Customer Solutions	1,161,022	2,194,876	3,193,798
579000 TPU CS Business Solutions	1,053,204	1,226,458	2,054,909

##### **Customer Services Business Office**

577200 TPU CS Contact Center	6,950,227	7,353,134	10,388,186
578100 TPU CS Lobby Svcs	1,906,102	2,299,093	2,160,537
579900 TPU CS Bus Office Admin	2,902,920	2,733,655	2,503,957

<b>Total Operation &amp; Maintenance</b>	<b>40,894,086</b>	<b>45,538,085</b>	<b>50,906,883</b>
<b>Capital Outlay</b>	<b>2,186,677</b>	<b>584,420</b>	<b>147,000</b>

<b>Total for Customer Services</b>	<b>\$43,080,763</b>	<b>\$46,122,505</b>	<b>\$51,053,883</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>147.0 / 147.0</b>	<b>155.9 / 155.9</b>	<b>158.2 / 158.2</b>
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