

**Motion 21-11**

**October 27, 2021**

Motion 21-11: A motion to approve the mid-biennial budget adjustment on file with the Clerk of the Board.



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

To: Jackie Flowers, Director of Utilities, CEO  
From: Jim Sant, Deputy Director for Administration  
Date: October 22, 2021 for October 27, 2021 PUB Consideration  
Subject: Mid-biennium Budget Modification

**Recommendation**

Authorize the amendment of the 2021-2022 Biennial Budget for Tacoma Power, Fund 4700 to include an additional appropriation in the amount of \$2,580,000 and Tacoma Water, Fund 4600 to include an additional appropriation in the amount of \$1,230,000.

**Background**

State law requires all cities that adopt a biennial budget to review and modify their budgets no later than the end of the first year of the biennium. These mid-biennium adjustments may be needed to plan for unexpected revenues and/or expenses such as

- Budget corrections
- Emergent needs for increased resources for existing services
- Emergent needs for increased resources for new services

Tacoma Power is experiencing resource gaps resulting in project delivery and workload issues and is therefore requesting to add 20 budgeted full time equivalent positions totaling \$2,580,000.

Tacoma Water's recent reorganization provided insight into areas in need of additional resources to address span of control and workload issues and is therefore requesting to add 8 budgeted full time equivalent positions totaling \$1,230,000.





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Summary

For Tacoma Power, the additional appropriation of \$2,580,000 added to the original appropriation of \$932,753,175 will bring the total appropriation to \$935,333,175 and the additional 20 budgeted positions added to the original 798.2 positions will bring the total budgeted positions to 818.2.

For Tacoma Water, the additional appropriation of \$1,230,000 added to the original appropriation of \$281,649,598 will bring the total appropriation to \$282,879,598 and the additional 8 budgeted positions added to the original 300.8 positions will bring the total budgeted positions to 308.8.

This additional appropriation, if approved, will be forwarded to the Tacoma City Council for action. The City Council is scheduled to perform its initial review of these proposed adjustments at Study Session on November 2, 2021.

Your approval is requested to submit this matter to the Public Utility Board for its consideration.

Approved:

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Jackie Flowers  
Director of Utilities, CEO



# Tacoma Public Utilities

## 2021 Mid-Biennium Budget Adjustment Request

October 27, 2021

## Standard practice for entities with biennial budgets

- State Law requires cities with biennial budgets to review and modify, if needed, biennial budget authority no later than the end of the first year of the biennium
- Modifications can occur at any time to ensure we do not exceed approved budget authority by the end of the biennium
- If TPU request is approved by the PUB, the request will be included with the City Mid-Mod and reviewed with the City Council at the Study Session on November 2, with first and second Council Readings on November 9 and 16
- Types of requests include
  - Budget corrections
  - Emergent needs for increased resources for existing services
  - Emergent needs for increased resources for new services

# Background



## Budget Proposals for 2021/22 Developed During a Pandemic

- Ongoing impacts to the utilities and our customers were unknown
- Budget requests were held low to minimize impacts to customers during 2021
- We acknowledged that there was potential for mid-biennium adjustments

## It is Prudent to Appropriate Funding for Emergent Resource Needs

- Biennial expenses projected to be near budgeted levels
- Ongoing increases for bad debt expense
- Impacts of Class and Comp implementation unknown
- Requesting additional appropriation to fund FTE request

## Mid-Biennium Adjustment Addresses Immediate Needs

- 2023/24 budget proposals will include additional FTE requests to meet resourcing needs

# Tacoma Water Request

- Water reorganization provided additional insight to areas in need of resourcing
- Biennial Personnel Expense Projected to be within 1% of Budget
- Additional **8 FTEs** with budget appropriation of **\$1.23 million**



## Reliability and Resiliency

- Two Positions
- Maintenance & Construction
- Increasing Workload
- Span of Control



## Equity and Inclusion

- One Position
- Process & Data Analyst
- Implement Equity Measures
- Capital Planning & Prioritization



## Innovation

- Two Positions
- Business Analysts
- Business Process Development
- Sustain Technology Projects



## Customer Service

- One Position
- Customer Service Representative
- Support for Existing Customers
- Address Variety of Inquiries/Concerns



## Economic Development

- Two Positions
- Skilled Trade
- Economic Development Activities
- Service to our Customers

# Tacoma Power Request

- Additional resources are needed to deliver on projects and alleviate strain on our workforce
- Additional **20 FTEs** with budget appropriation of **\$2.58 million**



## Reliability & Resiliency

- Nine Positions
- Emergency Management
- Construction & Maintenance
- Capital Planning & Prioritization



## Economic Development

- Two Positions
- New Services design support
- Electrical Permitting support
- Increased Customer Demand



## Equity & Inclusion

- One Position
- Business Analyst
- Knowledge Management
- Records Management



## Innovation

- Five Positions
- EIM implementation and operations support
- Digital Engagement & Customer Service
- Data Analytics Services



## Environmental Leadership

- One Position
- Increased Regulatory Reporting requirements
- Compliance system development
- Clean Energy Transformation Act (CETA)



## Employee Relations

- Two Positions
- Safety Manager
- Space Planning Manager
- Focused on employee health and safety

# Mid-Biennium Budget Request



## Request for additional FTEs and budget appropriation

### ➤ Tacoma Water

- 8 FTEs - \$1.23 million

### ➤ Tacoma Power

- 20 FTEs - \$2.58 million

City Council Study Session – November 2<sup>nd</sup>

City Council 1<sup>st</sup> Reading – November 9<sup>th</sup>

City Council 2<sup>nd</sup> Reading – November 16<sup>th</sup>