



# **TACOMA PUBLIC UTILITIES**

## **2015/2016 PRELIMINARY BIENNIUM BUDGET**

**October 31, 2014**



# Tacoma Public Utilities

## Public Utility Board

Woodrow Jones, Chair

Bryan Flint, Vice-Chair

Mark Patterson, Secretary

David Nelson, Member

Monique Trudnowski, Member

## Executive Team

William A. Gaines –

Director of Utilities/Chief Executive Officer

Theodore C. Coates –

Tacoma Power Superintendent/Chief Operating Officer

Linda McCrea –

Tacoma Water Superintendent

Dale W. King –

Tacoma Rail Superintendent

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**City of Tacoma, Washington  
 Department of Public Utilities  
 2015/2016 Preliminary Biennium Budget**

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**City of Tacoma, Washington  
 Department of Public Utilities  
 2015/2016 Preliminary Biennium Budget**

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October 31, 2014

To the Mayor and Members of Tacoma City Council:

In conformance with the provisions of state law and Section 4.12 of the Charter of the City of Tacoma, we are transmitting the Preliminary 2015/2016 Biennial Budget for the Department of Public Utilities.

The total department budget includes the budgets for Tacoma Power, Tacoma Water, Tacoma Rail, Fleet Services, Self-Insurance Claim and Family Need Funds.

Memorandum budgets are submitted for the Administrative Offices, Customer Services and TPU Support Services. The expenditures of these supporting service divisions are allocated to Tacoma Power, Tacoma Water, Tacoma Rail and Fleet Services Funds. Portions of the Customer Services costs are reimbursed by the City's Environmental Services.

The budgets were developed without compromising the mission or values of Tacoma Public Utilities while at the same time carefully and thoughtfully considering budget impacts on customer rates with an eye on the long-term. Expenditures have been thoroughly reviewed. Capital outlay budgets have been fully examined and prioritized for possible deferral or elimination. Each of the utilities continues to keep a close watch on revenues, expenses and market influences and is carefully monitoring its financial position. These budgets were prepared with that same kind of prudence. Financing of budgeted projects is consistent with the rate policies established by the Public Utility Board and City Council.

The Tacoma Public Utilities 2015/2016 biennial budget totals \$1.27 billion which represents a 12.6 percent increase from the 2013/2014 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Tacoma Water, and Click! Network. No rate increase is proposed for Tacoma Rail. The Tacoma Power average system rate increase would be a one-time increase in the biennium of approximately 3.0%, planned for April 2015. The Tacoma Water average system rate increase, planned for implementation in April 2015 and January 2016, is approximately 4.0 percent each year.

## **Tacoma Power**

Tacoma Power's 2015/2016 budget is \$992.8 million. This is up \$104.3 million, or 11.7 percent, from the current budget.

Tacoma Power personnel costs are projected to increase approximately \$4.1 million or 2.2 percent. The increase includes the effect of bringing Tacoma Power staffing levels from 835 to 855 full time equivalents (FTEs). The additional employees will address expanding resource needs primarily in the areas of technology and Natural Resources' growing fisheries requirements. TPU's wage increase assumptions are the same as those of the City and include funds to re-establish market level pay for non-represented labor. Supplies, services and other charges will increase by \$51.9 million or 12.3 percent. The total capital outlay proposed is \$182.7 million, of which \$67.3 million will be paid for from the operating fund while \$115.4 million will be paid from bond proceeds.

Taxes, primarily City of Tacoma gross earnings tax of \$52.6 million and State of Washington utilities and business taxes of \$41.0 million, total \$93.6 million for the biennium, which is an increase of \$7.4 million from the prior biennium. Included in the tax figures are administrative fees for the cities of Lakewood, University Place, Fircrest, Fife and Steilacoom, plus Click! Network franchise-like fees.

Funding for the budget will be primarily from sales of electric energy, bulk power sales and telecommunications revenues. Tacoma Power also receives other electric and miscellaneous revenues, such as interest, rents, wheeling, and Bonneville Power Administration reimbursements for conservation and construction. Tacoma Power will maintain a minimum cash reserve of 90 days of operating expenses including capital paid from the operating fund. The budget includes anticipated additional revenue of \$15.8 million, which would come from an average system rate increase of approximately 3.0 percent in the first year of the biennium. The budget assumes that the rate stabilization fund maintains its current balance of \$48 million. Tacoma Power plans to use excess cash reserves to benefit customers as it reduces the rate impacts of its debt through pay-downs and long-term debt restructuring. An appropriation from the operating fund of \$106.3 million is required to balance Tacoma Power's budget.

## **Tacoma Water**

Tacoma Water's 2015/2016 budget is \$173.8 million. This is a \$20.1 million increase, or 13.0 percent, over the current budget.

Tacoma Water's personnel costs are planned to increase by \$8.6 million, including a slight increase in planned staffing levels of 6 FTEs. The increase in FTEs supports broad analysis and strategic asset maintenance and aligns staffing with emerging



areas of emphasis. Supplies, services and other charges will increase in order to cover operational expenses of the Green River Filtration and ground water treatment facilities and other priorities. Debt Service is expected to decrease slightly to \$47.3 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 far less than the current biennium, dropping from over \$100 million to \$32.9 million. The capital financing plan is for \$6.2 million to be paid for from the operating fund with the remainder coming from debt proceeds.

Taxes paid by Tacoma Water total \$20.8 million for the biennium, an increase of \$2.4 million. City of Tacoma gross earnings tax equals \$12.5 million and State of Washington utilities and business taxes equal \$8.3 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 \$7.5 million is required, which would come from an average system rate increase of approximately 4.0 percent in both 2015 and 2016.

## **Tacoma Rail**

Tacoma Rail's 2015/2016 budget is \$65.6 million. This is \$9.6 million, or 17.1 percent, above the current budget. The increase is driven by expected growth in Tacoma Rail's business which is attributable to higher Port traffic including sizeable growth in delivery of oil, as well as new opportunities in locomotive servicing to other rail lines.

Personnel costs are projected to increase by \$5.0 million. Employment growth is directly related to new business with staffing levels budgeted to increase by 21 FTEs by the end of the biennium. Supplies, services and other charges are planned to increase by \$1.7 million or 11.1 percent. The total capital outlay proposed is \$10.6 million. \$6.0 million of this capital plan will be paid from the operating fund while \$4.6 million will be financed with either grants or special no, or low, interest loans.

Funding for the budget comes primarily from switching revenue. Tacoma Rail proposes no rate increase for 2015 with further analysis to follow for 2016.

Taxes paid by Tacoma Rail total \$6.4 million for the biennium, an increase of \$1.0 million. City of Tacoma gross earnings tax equals \$5.2 million and State of Washington utilities and business taxes total approximately \$1.2 million.

## **Transfers to General Government**

General Government charges of \$36.0 million, expected to be allocated to the Department of Public Utilities, are included in the proposed appropriations for Tacoma Power, Tacoma Water, Tacoma Rail and Fleet Services funds.

The budgets of the operating divisions also include \$70.4 million for gross earnings tax payments to the General Fund during the biennium.

## **The Budget Review Process to Date**

The Director and Senior Management participated in discussions of the proposed budget at Public Utility Board Study Sessions on August 27, September 10 and September 24, 2014. The budget was also discussed at a joint City Council/Public Utility Board Study Session on October 14, 2014 and at the Public Utility Board Meetings on October 15 and October 29, 2014.

The Public Utility Board has studied and reviewed the preliminary budget in detail with the Director, Senior Management and Staff during a considerable period of time and recommends approval by the City Council. Additional study and review will continue until time for final adoption. The Council will be informed of any changes that may be necessary or deemed desirable by the Board.

Sincerely,



Woodrow E. Jones  
Chair  
Public Utility Board



October 29, 2014

To the Members of the Public Utility Board:

The preliminary draft of the Department of Public Utilities Budget for the 2015/2016 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 31, 2014.

My office, staffs of 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 Study Sessions on August 27, September 10 and September 24, 2014. The budget was also discussed in detail at a joint City Council/Public Utility Board Study Session on October 14, 2014 and a summary was presented at the Public Utility Board Meeting on October 15, 2014.

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 2015/2016 biennial budget totals \$1.27 billion which represents a 12.6 percent increase from the 2013/2014 biennium. The budget reflects additional revenue anticipated from rate increases by Tacoma Power, Tacoma Water, and Click! Network. No rate increase is proposed for Tacoma Rail. The Tacoma Power average system rate increase would be a one-time increase in the biennium of approximately 3.0%, planned for April 2015. The Tacoma Water average system rate increase, planned for implementation in April 2015 and January 2016, is approximately 4.0 percent each year.

The assumption for all of Tacoma Public Utilities includes health and welfare benefit costs which are consistent with levels in the current biennial budget. Similarly, the retirement contribution is budgeted at 10.8 percent for 2015 and 2016, the same as it is for 2014.

## **Tacoma Power**

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

Tacoma Power's 2015/2016 budget is \$992.8 million. This is up \$104.3 million, or 11.7 percent, from the current budget. Tacoma Power personnel costs are projected to increase approximately \$4.1 million or 2.2 percent. The increase includes the effect of bringing Tacoma Power staffing levels from 835 to 855 full time equivalents (FTEs). The additional employees will address expanding resource needs primarily in the areas of technology and Natural Resources' growing fisheries requirements. TPU's wage increase assumptions are the same as those of the City and include funds to re-establish market level pay for non-represented labor. Supplies, services and other charges will increase by \$51.9 million or 12.3 percent. The total capital outlay proposed is \$182.7 million, of which \$67.3 million of this capital plan will be paid for from the operating fund while \$115.4 million will be paid from bond proceeds.

Taxes, primarily City of Tacoma gross earnings tax of \$52.6 million and State of Washington utilities and business taxes of \$41.0 million, total \$93.6 million for the biennium, which is an increase of \$7.4 million from the prior biennium. Included in the tax figures are administrative fees for the cities of Lakewood, University Place, Fircrest, Fife and Steilacoom, plus Click! Network franchise-like fees.

Funding for the budget will be primarily from sales of electric energy, bulk power sales and telecommunications revenues. Tacoma Power also receives other electric and miscellaneous revenues, such as interest, rents, wheeling, and Bonneville Power Administration reimbursements for conservation and construction. Tacoma Power will maintain a minimum cash reserve of 90 days of operating expenses including capital paid from the operating fund. The budget includes anticipated additional revenue of \$15.8 million, which would come from an average system rate increase of approximately 3.0 percent in the first year of the biennium. The budget assumes that the rate stabilization fund maintains its current balance of \$48 million. Tacoma Power plans to use excess cash reserves to benefit customers as it reduces the rate impacts of its debt through pay-downs and long-term debt restructuring. An appropriation from the operating fund of \$106.3 million is required to balance Tacoma Power's budget.

## **Tacoma Water**

In formulating its budget, Tacoma Water continues to focus on cost control while maintaining responsible stewardship of the utility's assets. As it relates to its substantial regional water quality project, the Green River Filtration facility, Tacoma Water's budget reflects moving from the planning and construction phase to its ongoing operation.

Tacoma Water's 2015/2016 budget is \$173.8 million. This is a \$20.1 million increase, or 13.0 percent, over the current budget. Tacoma Water's personnel costs are planned to increase by \$8.6 million, including a slight increase in planned staffing levels of 6 FTEs. The increase in FTEs supports broad analysis and strategic asset maintenance

and aligns staffing with emerging areas of emphasis. Supplies, services and other charges will increase in order to cover operational expenses of the Green River Filtration and ground water treatment facilities and other priorities. Debt Service is expected to decrease slightly to \$47.3 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 far less than the current biennium, dropping from over \$100 million to \$32.9 million. The capital financing plan is for \$6.2 million to be paid for from the operating fund with the remainder coming from debt proceeds.

Taxes paid by Tacoma Water total \$20.8 million for the biennium, an increase of \$2.4 million. City of Tacoma gross earnings tax equals \$12.5 million and State of Washington utilities and business taxes equal \$8.3 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 \$7.5 million is required, which would come from an average system rate increase of approximately 4.0 percent in both 2015 and 2016.

## **Tacoma Rail**

Tacoma Rail's 2015/2016 budget is \$65.6 million. This is \$9.6 million, or 17.1 percent, above the current budget. The increase is driven by expected growth in Tacoma Rail's business which is attributable to higher Port traffic including sizeable growth in delivery of oil, as well as new opportunities in locomotive servicing to other rail lines.

Personnel costs are projected to increase by \$5.0 million. Employment growth is directly related to new business with staffing levels budgeted to increase by 21 FTEs by the end of the biennium. Supplies, services and other charges are planned to increase by \$1.7 million or 11.1 percent. The total capital outlay proposed is \$10.6 million. \$6.0 million of this capital plan will be paid from the operating fund while \$4.6 million will be financed with either grants or special no, or low, interest loans.

Funding for the budget comes primarily from switching revenue. Tacoma Rail proposes no rate increase for 2015 with further analysis to follow for 2016.

Taxes paid by Tacoma Rail total \$6.4 million for the biennium, an increase of \$1.0 million. City of Tacoma gross earnings tax equals \$5.2 million and State of Washington utilities and business taxes total approximately \$1.2 million.

## **Fleet Services Fund**

Expenditures for the Fleet Services Fund are included for information only because their costs are included in the budgets of the operating divisions. The Fleet Services Fund's 2015/2016 biennial budget is \$33.4 million as compared to \$24.1 million in the current biennium. The majority of the increase relates to a higher capital outlay which is up \$9.7 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. Service division budgets include the Administrative Offices, Customer Services, Real Property Services and IT Dedicated Resources. 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 \$65.8 million for the 2015/2016 biennium, up from \$61.1 million in the current biennium.

## **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 \$3.2 million.

The Family Need Fund, which assists qualifying low income power customers with a credit to their bill, will have a total biennial budget of \$1.98 million which includes a \$960 thousand contribution from Tacoma Power plus an appropriation from cash reserves.

## **Summary**

The revenues and expenditures contained in the Department of Public Utilities 2015/2016 biennial budget requests were developed in accordance with the stated mission of the department and in conformance with the objectives of our strategic plan. 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 adjusted to the realities of the economy and market conditions and have properly aligned their budgets and their work forces for the 2015/2016 biennium and beyond.

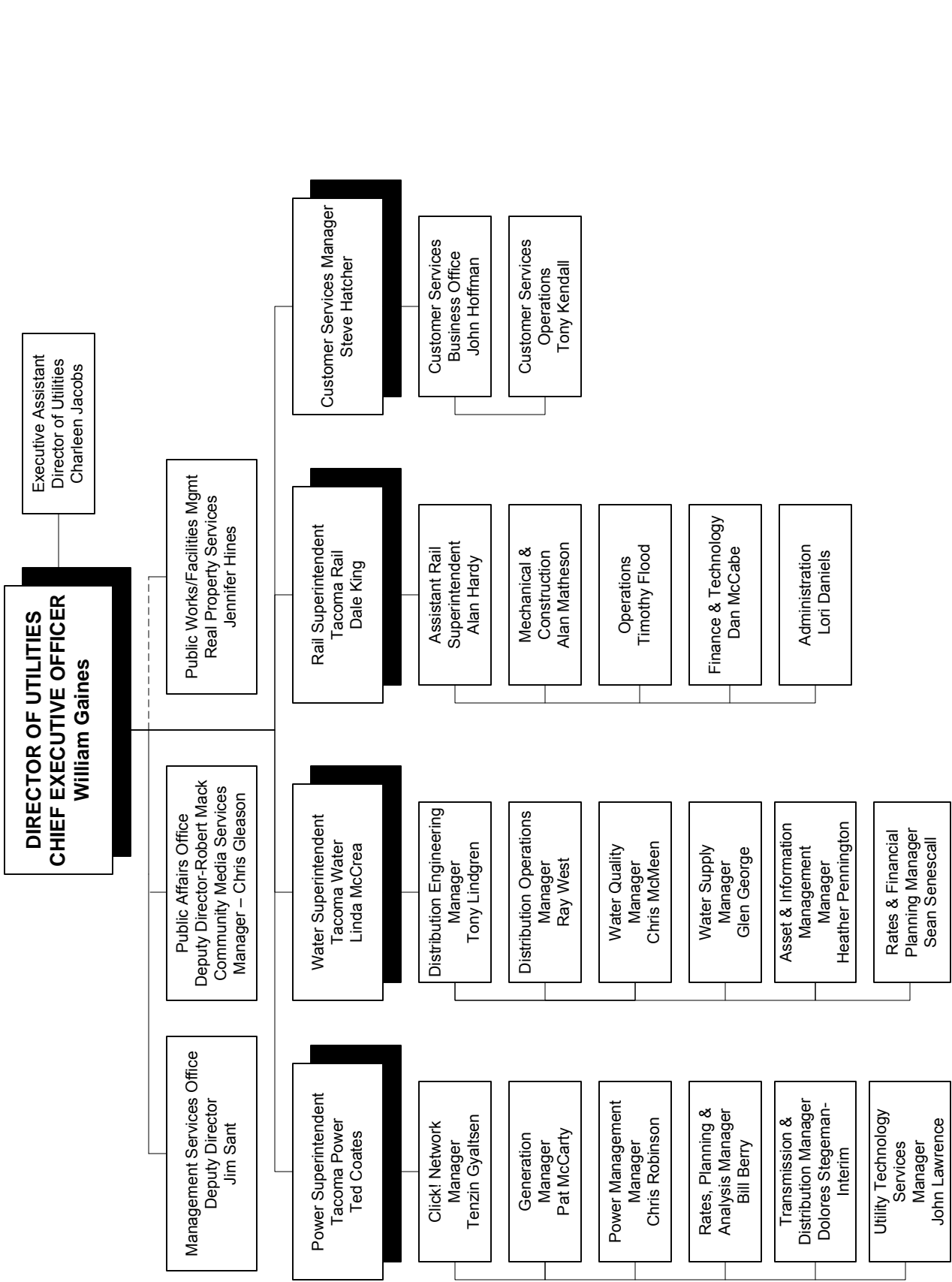
Sincerely,



William A. Gaines  
Director of Utilities, CEO

# CITY OF TACOMA - DEPARTMENT OF PUBLIC UTILITIES

- Public Utility Board  
Vice-Chair  
Bryan Flint
- Public Utility Board  
Secretary  
Mark Patterson
- Public Utility Board  
Chair  
Woodrow Jones
- Public Utility Board  
Member  
David Nelson
- Public Utility Board  
Member  
Monique Trudnowski



**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.

**2013-2014 BUDGET**

	Personnel Costs	Supplies, Other Services & Charges	Capital Outlay	Debt Service	Taxes	2013-2014 Total
Tacoma Power Division	\$185,679,009	\$423,520,980	\$58,281,000	\$134,857,005	\$86,179,247	<b>\$888,517,241</b>
Tacoma Water Division	41,583,244	45,846,699	0	47,903,418	18,391,435	<b>153,724,796</b>
Tacoma Rail Division*	25,903,879	19,661,903	3,900,000	1,183,140	5,410,000	<b>56,058,922</b>
<b>Operating Funds</b>	<b>253,166,132</b>	<b>489,029,582</b>	<b>62,181,000</b>	<b>183,943,563</b>	<b>109,980,682</b>	<b>1,098,300,959</b>
Fleet Services Fund	5,815,000	3,701,927	14,601,528	0	0	<b>24,118,455</b>
Family Need Fund	0	1,920,000	0	0	0	<b>1,920,000</b>
Self-Insurance Fund	0	4,150,579	0	0	0	<b>4,150,579</b>
<b>Other Funds</b>	<b>5,815,000</b>	<b>9,772,506</b>	<b>14,601,528</b>	<b>0</b>	<b>0</b>	<b>30,189,034</b>
<b>Total TPU 2013-2014</b>	<b>\$258,981,132</b>	<b>\$498,802,088</b>	<b>\$76,782,528</b>	<b>\$183,943,563</b>	<b>\$109,980,682</b>	<b>\$1,128,489,993</b>

**2015-2016 BUDGET**

	Personnel Costs	Supplies, Other Services & Charges	Capital Outlay	Debt Service	Taxes	2015-2016 Total
Tacoma Power Division	\$189,746,992	\$475,402,812	\$67,329,440	\$166,747,478	\$93,623,204	<b>\$992,849,926</b>
Tacoma Water Division	50,226,810	49,196,622	6,222,588	47,305,318	20,831,477	<b>173,782,815</b>
Tacoma Rail Division	30,931,089	20,952,432	5,967,000	1,431,736	6,361,000	<b>65,643,257</b>
<b>Operating Funds</b>	<b>270,904,891</b>	<b>545,551,866</b>	<b>79,519,028</b>	<b>215,484,532</b>	<b>120,815,681</b>	<b>1,232,275,998</b>
Fleet Services Fund	5,847,034	3,227,950	24,342,000	0	0	<b>33,416,984</b>
Family Need Fund	0	1,980,000	0	0	0	<b>1,980,000</b>
Self-Insurance Fund	0	3,238,211	0	0	0	<b>3,238,211</b>
<b>Other Funds</b>	<b>5,847,034</b>	<b>8,446,161</b>	<b>24,342,000</b>	<b>0</b>	<b>0</b>	<b>38,635,195</b>
<b>Total TPU 2015-2016</b>	<b>\$276,751,925</b>	<b>\$553,998,027</b>	<b>\$103,861,028</b>	<b>\$215,484,532</b>	<b>\$120,815,681</b>	<b>\$1,270,911,193</b>

\*2013-14 Tacoma Rail Budget includes the mid-biennium adjustment.

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**

**DEPARTMENT SUMMARY  
COMPARATIVE BUDGET TOTALS**

TACOMA PUBLIC UTILITIES DIVISION	BIENNIAL BUDGET 2013-2014	BIENNIAL BUDGET 2015-2016	\$ INCREASE OR DECREASE	% INCREASE OR DECREASE	% 2015-2016 TOTAL DEPT
Tacoma Power	\$888,517,241	\$992,849,926	\$104,332,685	11.7%	78.0%
Tacoma Water	153,724,796	173,782,815	20,058,019	13.0%	13.7%
Tacoma Rail*	56,058,922	65,643,257	9,584,335	17.1%	5.2%
Fleet Services	24,118,455	33,416,984	9,298,529	38.6%	2.6%
Family Need	1,920,000	1,980,000	60,000	3.1%	0.2%
Self-Insurance Claim	4,150,579	3,238,211	(912,368)	(22.0%)	0.3%
<b>Total Department</b>	<b>\$1,128,489,993</b>	<b>\$1,270,911,193</b>	<b>\$142,421,200</b>	<b>12.6%</b>	<b>100.0%</b>

\* 2013-14 Budget for Tacoma Rail includes mid-biennium adjustment.

<b>DEPARTMENT OF PUBLIC UTILITIES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Tax Payments</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>
Gross Earnings Tax/Tacoma	\$61,896,777	\$64,339,790	\$70,375,764
State of WA - Public Utility & B&O Taxes	29,645,787	32,920,210	35,552,140
Other *	12,151,303	12,720,682	14,887,777
<b>Subtotal</b>	<b>103,693,867</b>	<b>109,980,682</b>	<b>120,815,681</b>
Federal Taxes (FICA)	13,271,171	14,030,038	14,620,289
Federal Railroad Taxes (RR)	2,873,577	3,639,022	3,945,162
<b>Subtotal</b>	<b>16,144,748</b>	<b>17,669,060</b>	<b>18,565,451</b>
<b>Total Taxes</b>	<b>\$119,838,615</b>	<b>\$127,649,742</b>	<b>\$139,381,132</b>

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>2013-14</b>	<b>2015-16</b>
<b>General Government Expenses</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>
City Clerk	\$65,004	\$85,238
City Council	168,249	437,093
City Manager's Office	76,760	87,698
Economic Development	150,000	150,000
Government Relations	105,744	99,795
Hearing Examiner	52,542	47,132
HUB	129,800	232,898
LEAP	126,867	324,159
Youth Build Tacoma	285,531	325,502
EEO (moved from Human Resources)	0	102,614
ADA	48,728	113,675
Other	5,504	7,487
<b>Total Miscellaneous General Government Expenses</b>	<b>1,214,729</b>	<b>2,013,291</b>
Finance	5,024,155	4,438,310
Finance - Utility Accounting	3,122,091	3,005,782
Human Resources	4,409,882	4,425,545
IT	17,940,630	19,349,043
Legal	2,523,747	2,738,714
<b>Total TPU General Government Expenses</b>	<b>\$34,235,234</b>	<b>\$35,970,685</b>

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**TACOMA POWER**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**



<b>TACOMA POWER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</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	\$674,327,644	\$683,278,256	\$765,049,739
Anticipated Additional Revenue	0	28,196,107	15,841,748
Other Electric Revenue	28,880,064	33,493,005	32,562,570
Telecommunications Revenue	49,186,995	55,490,075	59,477,322
<b>Total Operating Revenue</b>	<b>752,394,703</b>	<b>800,457,443</b>	<b>872,931,379</b>
Other Income	24,018,430	17,594,371	13,662,577
Appropriation from Fund Balance	0	58,465,427	106,255,970
Deposit from Rate Stabilization Fund	0	12,000,000	0

<b>Total Revenue &amp; Available Funds</b>	<b>\$776,413,133</b>	<b>\$888,517,241</b>	<b>\$992,849,926</b>
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### **EXPENDITURES**

Personnel Costs	\$154,999,076	\$185,679,009	\$189,746,992
Supplies, Other Services & Charges	354,480,760	423,520,980	475,402,812
Capital Outlay	30,248,918	58,281,000	67,329,440
Cash Defeasance	15,000,000	15,000,000	90,000,000
Debt Service	113,006,002	119,857,005	76,747,478
Taxes - Current Revenue Estimate	82,782,267	83,395,330	92,059,085
Taxes - Anticipated Additional Revenue		2,783,917	1,564,119

<b>Total Expenditures</b>	<b>\$750,517,023</b>	<b>\$888,517,241</b>	<b>\$992,849,926</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Funded From Current Fund		\$58,281,000	\$67,329,440
Funded From Bond Fund		15,019,000	17,968,000
Funded From New Debt		83,743,000	97,363,000

<b>Total Capital Outlay</b>		<b>\$157,043,000</b>	<b>\$182,660,440</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>849.25 / 850.25</b>	<b>835.38 / 833.63</b>	<b>856.21 / 854.21</b>
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<b>TACOMA POWER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

Sales of Electric Energy	\$674,327,644	\$683,278,256	\$765,049,739
Anticipated Additional Revenue	0	28,196,107	15,841,748
Other Electric Revenue	28,880,064	33,493,005	32,562,570
Telecommunications Revenue	49,186,995	55,490,075	59,477,322
<b>Total Operating Revenue</b>	<b>752,394,703</b>	<b>800,457,443</b>	<b>872,931,379</b>
Other Income	24,018,430	17,594,371	13,662,577
Appropriation from Fund Balance	0	58,465,427	106,255,970
Deposit from Rate Stabilization Fund	0	12,000,000	0
<b>Total Revenue &amp; Available Funds</b>	<b>\$776,413,133</b>	<b>\$888,517,241</b>	<b>\$992,849,926</b>

### **REVENUE DETAIL**

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

Residential	\$275,963,816	\$282,848,520	\$309,025,965
Private Off-Street Lighting	2,216,935	2,443,667	1,964,259
Small General	45,823,798	49,273,019	54,346,360
General	167,446,628	183,804,525	198,721,625
High Voltage General	36,741,733	38,263,738	43,309,707
Contract Industrial - Firm	37,211,874	37,995,762	44,350,893
Street Lighting & Traffic Signals	2,287,463	2,606,329	2,814,895
<b>Total Retail Sales</b>	<b>567,692,247</b>	<b>597,235,560</b>	<b>654,533,704</b>

#### **Other Sales**

Bulk Power Sales	101,650,171	86,042,696	110,516,035
Accrued Unbilled Revenue	4,985,226	0	0
<b>Total Other Sales</b>	<b>106,635,397</b>	<b>86,042,696</b>	<b>110,516,035</b>
Anticipated Additional Revenue	0	28,196,107	15,841,748
<b>Total Sales of Electric Energy</b>	<b>674,327,644</b>	<b>711,474,363</b>	<b>780,891,487</b>



<b>TACOMA POWER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Other Electric Revenue**

Rent from Electric Property	\$2,589,699	\$2,539,562	\$2,769,599
Interdepartmental Rent	4,060,269	4,331,537	4,466,988
Service Connection Fees	2,190,865	2,282,863	2,387,672
Green Power	222,494	215,209	182,000
Overhead on Work for Others	239,530	181,992	258,147
Late Payment Fees	2,315,056	2,319,827	2,346,839
Income from Campgrounds	2,243,896	2,420,090	2,474,150
Wheeling	14,937,349	18,933,552	17,486,352
Miscellaneous	80,906	268,373	190,823
<b>Total Other Electric Revenue</b>	<b>28,880,064</b>	<b>33,493,005</b>	<b>32,562,570</b>

**Telecommunications Revenue**

CATV	31,915,592	38,942,584	42,475,497
Broadband	2,702,921	2,741,880	2,200,329
Internet	9,788,279	12,482,038	13,269,146
Miscellaneous	4,780,203	1,323,573	1,532,350
<b>Total Telecommunications</b>	<b>49,186,995</b>	<b>55,490,075</b>	<b>59,477,322</b>

**Other Income**

Interest	11,052,498	7,984,880	4,147,775
Federal Subsidy for BABS/CREBS interest	7,909,276	7,909,276	7,537,542
Miscellaneous	5,056,656	1,700,215	1,977,260
<b>Total Other Income</b>	<b>24,018,430</b>	<b>17,594,371</b>	<b>13,662,577</b>

**Other Available Funds**

Appropriation from Fund Balance	0	58,465,427	106,255,970
Deposit from Rate Stabilization Fund	0	12,000,000	0

<b>Total Revenue &amp; Available Funds</b>	<b>\$776,413,133</b>	<b>\$888,517,241</b>	<b>\$992,849,926</b>
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<b>TACOMA POWER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Section**

Power Administration	\$105,076,863	\$120,257,472	\$119,781,421
Click!	54,805,229	59,384,478	64,845,085
Generation	69,712,267	80,063,481	95,638,856
Power Management	260,932,171	315,990,768	350,554,846
Rates, Planning & Analysis	4,221,729	5,521,600	7,070,534
Transmission & Distribution	81,901,631	91,620,347	96,672,053
Utility Technology Services	15,612,213	22,541,089	24,210,213

<b>Total for Division</b>	<b>\$592,262,103</b>	<b>\$695,379,235</b>	<b>\$758,773,008</b>
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**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$141,524,873	\$157,633,965	\$164,332,267
Employee Benefits	53,900,061	63,589,640	62,556,664
Capital Credit & Labor To/From Others	(40,425,858)	(35,544,596)	(37,141,939)
<b>Total Personnel Costs</b>	<b>154,999,076</b>	<b>185,679,009</b>	<b>189,746,992</b>
Supplies	223,982,189	266,582,940	298,972,271
Services	63,521,169	70,132,805	90,990,950
Other Charges	24,328,799	37,854,970	31,379,310
Assessments	42,648,603	48,950,265	54,060,281
Taxes	82,782,267	86,179,246	93,623,204

<b>Total for Division</b>	<b>\$592,262,103</b>	<b>\$695,379,235</b>	<b>\$758,773,008</b>
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<b>TACOMA POWER Taxes</b>	<b>2011-12 Biennium Actual</b>	<b>2013-14 Biennium Budget</b>	<b>2015-16 Biennium Budget</b>
City of Tacoma:			
Gross Earnings Tax (6.0%)	\$48,320,564	\$47,334,800	\$51,696,680
State of Washington:			
Utility & Business Tax	23,292,850	24,410,286	26,635,005
Other*			
County/Schools/Fire Protection Dist.	3,653,976	4,017,100	3,965,000
Franchise Administrative Fees	4,908,094	5,063,888	6,814,800
Click! Franchise-Like Fees	2,606,783	2,569,256	2,947,600
Subtotal	<b>82,782,267</b>	<b>83,395,330</b>	<b>92,059,085</b>
Anticipated Additional Revenue**			
Gross Earnings Tax (6.0%)		1,691,766	950,505
Utility & Business Tax		1,092,150	613,614
		2,783,916	1,564,119
Total City & Utility Tax	<b>82,782,267</b>	<b>86,179,246</b>	<b>93,623,204</b>
Federal Taxes (FICA)	10,364,548	11,013,727	11,485,828
<b>Total Tacoma Power Taxes</b>	<b>\$93,146,815</b>	<b>\$97,192,973</b>	<b>\$105,109,032</b>

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>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**DEBT SERVICE SUMMARY**

Bond Interest	\$56,931,002	\$56,707,005	\$49,282,478
Bond Redemption	71,075,000	78,150,000	117,465,000
Reduction due to Defeasance	(15,000,000)	(15,000,000)	(90,000,000)

<b>Total Debt Service</b>	<b>\$113,006,002</b>	<b>\$119,857,005</b>	<b>\$76,747,478</b>
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**DEBT SERVICE DETAIL**

1999 Revenue Bonds	Interest	\$1,485,000	\$0	\$0
\$36,045,000	Principal	13,500,000	0	0
2001B Refunding Bonds	Interest	3,515,015	0	0
\$101,860,000	Principal	14,650,000	0	0
2004 Revenue Bonds	Interest	2,987,511	4,531,594	0
\$82,655,000	Principal	8,935,000	6,920,000	0
2005A Revenue Bonds	Interest	7,871,063	7,853,325	5,200
\$93,480,000	Principal	450,000	230,000	130,000
2005B Ref & Rev Bonds*	Interest	13,063,715	12,905,840	2,658,775
\$156,425,000	Principal	4,295,000	2,230,000	90,000,000
2007 Ref Bonds	Interest	6,636,499	3,991,000	0
\$81,130,000	Principal	29,245,000	52,770,000	0
2010A Revenue Bonds	Interest	1,260,000	1,000,000	0
\$16,000,000	Principal	0	16,000,000	0
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 Refunding Bonds	Interest	0	6,313,047	15,437,450
\$181,610,000	Principal	0	0	27,335,000
2013B Refunding Bonds	Interest	0	0	3,232,220
\$35,620,000	Principal	0	0	0
2015 Bonds	Interest	0	0	7,836,634
\$125,453,000 Anticipated	Principal	0	0	0
Reduction due to Defeasance		(15,000,000)	(15,000,000)	(90,000,000)

<b>Total Debt Service</b>	<b>\$113,006,002</b>	<b>\$119,857,005</b>	<b>\$76,747,478</b>
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\*Planned defeasance of \$90 million on this bond issuance in July 2015; without defeasance, the obligation in 2015-16 would be \$45.9 million in Principal and \$9.5 million in Interest.

TACOMA POWER	2013-14	2015-16
Capital Outlay	Biennium Budget	Biennium Budget

### SUMMARY

#### Click!

Capital Projects:	\$0	\$0
Additions and Replacements:	4,752,000	5,224,000
<b>Click! Total</b>	<b>4,752,000</b>	<b>5,224,000</b>

#### General Plant

Capital Projects:	4,559,000	4,300,000
Additions and Replacements:	1,952,000	2,720,440
<b>General Plant Total</b>	<b>6,511,000</b>	<b>7,020,440</b>

#### Generation

Capital Projects:	54,678,000	63,766,000
Additions and Replacements:	2,390,000	2,305,000
<b>Generation Total</b>	<b>57,068,000</b>	<b>66,071,000</b>

#### Power Management

Capital Projects:	21,800,000	22,194,000
Additions and Replacements:	0	344,000
<b>Power Management Total</b>	<b>21,800,000</b>	<b>22,538,000</b>

#### Transmission & Distribution

Capital Projects:	27,108,000	24,335,000
Additions and Replacements:	35,472,000	34,845,000
<b>Transmission &amp; Distribution Total</b>	<b>62,580,000</b>	<b>59,180,000</b>

#### Utility Technology Services

Capital Projects:	2,528,000	21,417,000
Additions and Replacements:	1,804,000	1,210,000
<b>Utility Technology Services Total</b>	<b>4,332,000</b>	<b>22,627,000</b>

<b>Sub-Total</b>	<b>\$157,043,000</b>	<b>\$182,660,440</b>
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Projects Funded from Existing Bonds	(\$15,019,000)	(\$17,968,000)
Projects Funded from New Bonds	(83,743,000)	(97,363,000)

<b>Total Current Fund Capital Outlay</b>	<b>\$58,281,000</b>	<b>\$67,329,440</b>
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<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

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

Broadband Services - Comm	\$1,036,000	\$650,000
Bus Syst Impr & Consumer Ops Upgr - Comm	75,000	0
Customer Related Equip - Comm	2,100,000	1,500,000
Equipment - Comm	87,000	70,000
Headend Replace & Upgrades - Comm	252,000	250,000
HFC Network Infrastructure Enhancements - Power	99,000	80,000
Infill MDU - Comm	350,000	421,000
Network Security Enhancements - Power	0	25,000
Network Upgrades & Repl - Power	253,000	1,768,000
New Service Drop Capitalization - Comm	500,000	460,000
<b>Click! Network Total</b>	<b>\$4,752,000</b>	<b>\$5,224,000</b>

### **General Plant Capital Projects**

Admin Bldg South UPS	\$200,000	\$0
ECC Security Control Center	250,000	0
SAP Functional Upgrades	655,000	500,000
Tacoma Power Security Upgrade	2,125,000	1,800,000
Warehouse Roof Replacement - South End	500,000	0
Service Division Capital - Customer Service (estimate)	829,000	2,000,000

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

Critical Operations Power Systems	0	175,000
General Plant	852,000	750,000
Tacoma Power Fleet Supplement	200,000	200,000
Tacoma Power Vehicle Completion	900,000	1,595,440
<b>General Plant Total</b>	<b>\$6,511,000</b>	<b>\$7,020,440</b>

### **Generation Capital Projects**

Alder Park Boat Ramp Dock Replacement	\$60,000	\$0
Alder Sewer Plant Wetland Cells	286,000	0
Cowlitz License Implementation	13,192,000	31,836,000
Cowlitz Trout Hatchery Controls Modernization	0	250,000
Cowlitz Trout Hatchery (CTH) Ozone Tank Replace	330,000	0
Cushman #1 Headgate Refurbishment	121,000	0
Cushman #1 Spillway Control Refurbishment	0	160,000
Cushman #1 Units 21, 22 TIV Replacement	0	300,000
Cushman #2 Cooling Water Overhaul	0	231,000
Cushman #2 Equipment Storage Building	400,000	0
Cushman #2 Log Boom	85,000	0
Cushman #2 Penstock Interior Coating Upgrade	1,500,000	0
Cushman #2 Penstock Protection Modernization	0	56,000
Cushman #2 Right Abutment Access Stairs	180,000	0
Cushman License Implementation	27,289,000	18,824,000

<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

Cushman Modernization - Phase 3	300,000	0
Generator Verification & Modeling	175,000	0
Hydro Exciter Replacement Program	0	2,752,000
Hydro Governor Replacement Program	0	4,030,000
ICS Security Controls Implementation	0	170,000
LaGrande Station Service Switchgear Replacement	500,000	0
LaGrande Surge Tank Stabilization	450,000	0
Mayfield Penstocks Slope Tendon Replacement	0	3,020,000
Mayfield Spillway Post-Tension Anchors	0	2,000,000
Mayfield Upper Access Road Rock Dowels	0	137,000
Mossyrock Intake Headgate	650,000	0
Mossyrock Station Service Modernization	1,500,000	0
Salmon Hatchery Station Service Upgrade	600,000	0
Structural Upgrade to Mossyrock & Mayfield	5,500,000	0
Wynoochee Modernization	1,560,000	0

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

ADA Improvements	100,000	75,000
Cowlitz Project Fish Facilities	260,000	225,000
Cowlitz Project Generation	220,000	175,000
Cowlitz Project Recreation	190,000	150,000
Cushman Project Fish Facilities	50,000	100,000
Cushman Project Generation	200,000	200,000
Generation Paving	170,000	100,000
Hydro Plant Automation	125,000	135,000
Hydro Plant Electrical Systems	180,000	200,000
Hydro Plant Mechanical	80,000	100,000
Hydro Plant Water and Sewer Systems	90,000	110,000
Hydro Security	100,000	100,000
Hydro Wildlife	0	60,000
Natural Resources	50,000	50,000
Nisqually Project Generation	200,000	200,000
Nisqually Project Recreation	110,000	110,000
Plant Engineering	145,000	115,000
Wynoochee River Project Generation	120,000	100,000
<b>Generation Total</b>	<b>\$57,068,000</b>	<b>\$66,071,000</b>

#### **Power Management Capital Projects**

Demand Side Mgmt System Modernization	\$0	\$500,000
Energy Conservation	21,635,000	21,100,000
Inflow for Cowlitz River Basin (Modeling)	165,000	160,000
Load Forecasting Modernization	0	83,000
PM Short-Term Portfolio Optimization	0	192,000
SLICE What-If Analysis	0	159,000

<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Power Management A & R**

Power Management Technology Upgrades	0	344,000
<b>Power Management Total</b>	<b>\$21,800,000</b>	<b>\$22,538,000</b>

**Transmission & Distribution Capital Projects**

115 kV Auto Sectionalizing	\$0	\$474,000
115 kV System Reliability Improvements	0	855,000
230 kV System Reliability Improvements	3,140,000	220,000
480 Volt Network Protector Replacement	519,000	0
#6 Copper Conductor Replacement	0	1,100,000
Analyze & Upgrade Transmission Facilities	1,279,000	0
Aurora Protection & Controls Mitigation	560,000	0
Cedar 115 kV Bus Differential	0	177,000
Cushman #1, Replace GSU Transformer Bank 1	0	1,820,000
Distribution Efficiency Program	792,000	400,000
Distribution Mobile Substation Upgrades	2,824,000	0
Distribution Substation Transformer Replacement	3,981,000	3,000,000
Distribution System Feeder Relay Replacement	267,000	0
Downtown Infrastructure Development	2,755,000	1,816,000
Engineering Design Application Upgrade/Repl	0	50,000
Feeder Sectionalizing	298,000	400,000
Henderson Bay Tower Replacement	0	2,700,000
Hilltop Sequential Relaying Replacement	222,000	0
LaGrande 110 KV Automatic Line Sectionalizing	462,000	0
LaGrande Switchyard, Rep Substation Transformer	0	1,153,000
LID Program - OH to UG Conversion	174,000	10,000
Martin Luther King LID - 6th St. to 25th St.	443,000	20,000
McChord Sub. P&C Upgrade	248,000	0
Mountain Substation	1,110,000	0
North Bay Crossing Rehabilitation	3,792,000	0
Pearl Cushman Upgrade	0	3,300,000
Potlatch System, New Ring Bus Switchyard	0	4,827,000
Puyallup Ave Bridge Replacment	0	10,000
Puyallup Ave Viaduct Replacement	1,403,000	0
Replace Fuses with Circuit Switchers	1,034,000	0
South Service Area Feeder Enhancements	642,000	0
SW – Pearl #1 Line Relocation	373,000	497,000
Transmission Line Uprating	0	806,000
Transmission Switch Enhancement	345,000	0
Transmission Switch Replacement	0	300,000
Transmission System Relay Replacement	445,000	0
Work Management Software Implementation	0	400,000



<b>TACOMA POWER</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Transmission & Distribution A & R**

Cable Replacement Program	3,631,000	4,500,000
Central Business District	319,000	371,000
Distribution Transformer Purchase	4,192,000	3,700,000
HFC Infill Construction	1,665,000	1,824,000
HFC Road Projects	1,367,000	575,000
Meters and Devices	1,748,000	1,250,000
NERC/WECC Compliance	499,000	280,000
New Services	2,333,000	1,800,000
Overhead Distribution	2,768,000	1,700,000
Pole Replacement Program	8,875,000	7,650,000
Protection & Controls	444,000	1,365,000
Rental Light	337,000	300,000
Road Related (City, County & State)	3,962,000	6,475,000
Substation	2,095,000	2,095,000
T & D Tools and Equipment	200,000	10,000
Transmission	445,000	400,000
Underground Distribution	592,000	550,000
<b>Transmission &amp; Distribution Total</b>	<b>\$62,580,000</b>	<b>\$59,180,000</b>

**Utility Technology Services Capital Projects**

Comm Infrastructure Documentation System Upgrade	\$348,000	\$0
Compliance Tracking Tool Project	0	387,000
Customer Outage Communications	0	403,000
Digital Microwave Modernization Loop 1	0	5,800,000
Digital Mobile Radio Upgrade	0	3,235,000
EMS Replacement, Planning & RFP	507,000	200,000
EMS Replacement - Part 2 (Implement)	0	2,250,000
Enterprise Telecommunications System Upgrade	150,000	0
IT Asset Management System Implementation	0	631,000
Meter Data Operations Improve & AMI 2.0	0	1,350,000
Mobile Solution Replacement/Upgrade	0	1,500,000
Multi-Service Request System Implement	0	636,000
Outage Management System Upgrade (D/OMS)	0	150,000
Service Oriented Architecture (SOA)	1,100,000	1,750,000
Substation Network Communications Upgrade	423,000	0
TPU Business LAN VM Expansion	0	825,000
TPU Main Campus Data Center	0	2,000,000
TPU Network Backbone Modernization	0	300,000

**Utility Technology Services A & R**

Communications	654,000	660,000
Energy Management System	400,000	300,000
System Management	750,000	250,000
<b>Utility Technology Services Total</b>	<b>\$4,332,000</b>	<b>\$22,627,000</b>

<b>Total Capital Outlay</b>	<b>\$157,043,000</b>	<b>\$182,660,440</b>
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**TACOMA WATER**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**



<b>TACOMA WATER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

<b>Operating Revenue</b>			
Water Sales	\$115,016,566	\$114,038,988	\$135,112,165
Anticipated Additional Revenue	0	11,906,709	7,541,662
Other Operating Revenue	11,884,962	14,304,162	13,921,154
<b>Total Operating Revenue</b>	<b>126,901,528</b>	<b>140,249,859</b>	<b>156,574,981</b>
<b>Non-Operating Revenue</b>			
Interest	1,324,561	362,000	526,807
BABS Interest Federal Subsidy	5,944,882	5,944,878	5,516,848
Miscellaneous	631,219	60,000	120,000
<b>Transfers from other Funds:</b>			
Capital	(31,578)	0	6,222,588
2002 RWSS Debt Service	5,165,177	7,108,059	0
Appropriation from Fund Balance	0	0	4,821,591
<b>Total Revenue &amp; Available Funds</b>	<b>\$139,935,789</b>	<b>\$153,724,796</b>	<b>\$173,782,815</b>

### **EXPENDITURES**

Personnel Costs	\$35,857,001	\$41,583,244	\$50,226,810
Supplies, Other Services & Charges	32,917,041	45,846,699	49,196,622
Capital Outlay	(31,578)	0	6,222,588
Debt Service	43,213,923	47,903,418	47,305,318
Taxes - Current Revenue	16,604,453	17,018,933	19,782,366
Taxes - Anticipated Additional Revenue		1,372,502	1,049,111
<b>Total Expenditures</b>	<b>\$128,560,840</b>	<b>\$153,724,796</b>	<b>\$173,782,815</b>

### **CAPITAL OUTLAY FINANCING DETAIL**

Bond Financed Capital Outlay		\$75,693,624	\$26,637,424
Public Works Trust Fund Loan		23,000,000	0
State Drinking Water Loan		21,000,000	0
System Development Fund Capital		0	0
Revenue Financed Capital Outlay		0	6,222,588
<b>Total Capital Outlay</b>		<b>\$119,693,624</b>	<b>\$32,860,012</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>262.4 / 262.4</b>	<b>247.0 / 249.5</b>	<b>256.2 / 256.2</b>
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Prior years may have been reclassified or restated to reflect organizational changes.

<b>TACOMA WATER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

Water Sales	\$115,016,566	\$114,038,988	\$135,112,165
Anticipated Additional Revenue	0	11,906,709	7,541,662
Other Operating Revenue	11,884,962	14,304,162	13,921,154
<b>Total Operating Revenue</b>	<b>126,901,528</b>	<b>140,249,859</b>	<b>156,574,981</b>
Non-Operating Revenue	13,034,261	13,474,937	12,386,243
Appropriation from Fund Balance	0	0	4,821,591
<b>Total Revenue &amp; Available Funds</b>	<b>\$139,935,789</b>	<b>\$153,724,796</b>	<b>\$173,782,815</b>

### **REVENUE DETAIL**

#### **Water Sales**

Residential	\$76,263,563	\$75,960,133	\$84,312,909
Commercial, Municipal, Other Public	25,231,412	24,992,488	32,258,109
Sales for Resale	3,715,594	3,338,881	7,394,737
Paper Mills (RockTenn)	9,805,997	9,747,486	11,146,410
	115,016,566	114,038,988	135,112,165
Anticipated Additional Revenue	0	11,906,709	7,541,662
<b>Total Water Sales</b>	<b>115,016,566</b>	<b>125,945,697</b>	<b>142,653,827</b>
Cascade Water Alliance	4,933,190	6,515,059	5,493,628
Other Customer Revenue & Late Fees	1,571,249	2,100,000	1,450,000
Public Fire Protection	4,558,992	5,009,103	5,966,473
Rent from Water Property	598,905	600,000	741,053
Miscellaneous Water Revenue	222,626	80,000	270,000
<b>Total Other Operating Revenue</b>	<b>11,884,962</b>	<b>14,304,162</b>	<b>13,921,154</b>
<b>Total Operating Revenue</b>	<b>\$126,901,528</b>	<b>\$140,249,859</b>	<b>\$156,574,981</b>

#### **Other Income**

Interest	1,324,561	362,000	526,807
BABS Interest Federal Subsidy	5,944,882	5,944,878	5,516,848
Miscellaneous	631,219	60,000	120,000
Transfers from Other Funds:			
Capital Projects	(31,578)	0	6,222,588
2002 RWSS Debt Service	5,165,177	7,108,059	0
<b>Total Non-Operating Revenue</b>	<b>13,034,261</b>	<b>13,474,937</b>	<b>12,386,243</b>
Appropriation from Fund Balance	0	0	4,821,591
<b>Total Revenue &amp; Available Funds</b>	<b>\$139,935,789</b>	<b>\$153,724,796</b>	<b>\$173,782,815</b>

<b>TACOMA WATER</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation and Maintenance by Section**

Water Administration	\$40,191,943	\$51,010,209	\$52,714,039
Distribution Engineering	2,693,136	4,216,085	5,634,810
Distribution Operations	16,075,831	19,355,160	21,276,501
Quality	7,842,209	10,131,376	14,083,157
Supply	12,300,012	15,000,972	19,055,412
Asset and Information Management	4,793,553	4,427,943	5,639,363
Rates and Financial Planning	1,481,811	1,679,633	1,851,627

<b>Total for Division</b>	<b>\$85,378,495</b>	<b>\$105,821,378</b>	<b>\$120,254,909</b>
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**SUMMARY - Operation and Maintenance by Category**

Salaries & Wages	\$38,972,832	\$42,505,299	\$44,511,149
Employee Benefits	15,135,228	17,550,584	18,024,429
Capital Credit & Labor To/From Others	(18,251,059)	(18,472,639)	(12,308,768)
<b>Total Personnel Costs</b>	<b>35,857,001</b>	<b>41,583,244</b>	<b>50,226,810</b>
Supplies	10,758,655	12,708,734	15,815,810
Services	7,532,973	9,688,537	10,987,667
Other Charges	(1,514,342)	3,931,905	2,878,490
Assessments	16,139,755	19,517,523	19,514,655
Taxes	16,604,453	18,391,435	20,831,477

<b>Total for Division</b>	<b>\$85,378,495</b>	<b>\$105,821,378</b>	<b>\$120,254,909</b>
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<b>TACOMA WATER Taxes</b>	<b>2011-12 Biennium Actual</b>	<b>2013-14 Biennium Budget</b>	<b>2015-16 Biennium Budget</b>
City of Tacoma:			
Gross Earnings Tax (8.0%)	\$10,012,695	\$9,970,485	\$11,898,245
State of Washington:			
Utility & Business Tax (5.029%)	5,609,308	5,978,010	6,790,251
Other*	982,450	1,070,438	1,093,870
Subtotal	<b>16,604,453</b>	<b>17,018,933</b>	<b>19,782,366</b>
Anticipated Additional Revenue**			
Gross Earnings Tax (8.0%)		842,737	603,334
Utility & Business Tax (5.029%)		529,765	379,270
Other*		0	66,507
		1,372,502	1,049,111
Total City and Utility Tax	<b>16,604,453</b>	<b>18,391,435</b>	<b>20,831,477</b>
Federal Taxes (FICA)	2,906,623	3,016,311	3,134,461
<b>Total Tacoma Water Taxes</b>	<b>\$19,511,076</b>	<b>\$21,407,746</b>	<b>\$23,965,938</b>

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>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**DEBT SERVICE SUMMARY**

Interest	\$26,818,245	\$28,286,545	\$29,000,232
Principal	16,395,678	19,616,873	18,305,086
<b>Total Debt Service</b>	<b>\$43,213,923</b>	<b>\$47,903,418</b>	<b>\$47,305,318</b>

**DEBT SERVICE DETAIL**

**BONDS**

2001 Bonds	Interest	\$15,767	\$0	\$0
\$32,900,000	Principal	394,167	0	0
2002 Bonds	Interest	131,660	0	0
2003 Bonds	Interest	2,816,275	183,631	0
\$26,930,000	Principal	6,556,667	0	0
2005 Bonds	Interest	3,671,959	3,295,162	2,558,912
\$46,550,000	Principal	3,814,167	6,308,333	8,858,750
2009 Build America Bonds	Interest	8,830,661	8,830,661	8,830,661
\$76,775,000				
2010 Refunding of 2001 Bonds	Interest	2,495,941	2,463,800	2,413,575
\$29,100,000	Principal	580,833	1,082,083	1,111,250
2010 Build America Bonds	Interest	8,154,705	8,154,705	8,154,705
\$74,985,000				
2013 Refunding of 2003 Bonds	Interest	0	4,269,169	5,948,400
\$24,450,000	Principal	0	4,887,917	0

**LOANS**

Public Works Trust Fund Loans	Interest	469,342	297,706	294,499
\$50,000,000	Principal	4,598,430	5,162,060	5,393,541
2014 PWTF Loan	Interest	0	13,903	0
\$13,000,000 Anticipated	Principal	0	464,286	0
State Drinking Water Fund Loans	Interest	231,935	777,808	799,480
\$73,918,885	Principal	451,414	1,712,194	2,941,545

<b>Total Debt Service</b>	<b>\$43,213,923</b>	<b>\$47,903,418</b>	<b>\$47,305,318</b>
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<b>TACOMA WATER</b>	<b>2013-14 *</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **SUMMARY**

General Plant	\$4,741,000	\$3,558,160
Water Distribution	21,410,000	20,989,107
Water Quality	84,138,624	2,359,329
Water Supply	9,404,000	5,953,416

<b>Sub-Total</b>	<b>\$119,693,624</b>	<b>\$32,860,012</b>
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Projects Funded from 2013 Bond Issue	(\$33,148,000)	(\$26,637,424)
PWTF Loan Proceeds	(23,000,000)	0
State Drinking Water Loan Proceeds	(21,000,000)	0
Projects Funded from 2010 Bond Issue	(42,545,624)	0

<b>Total Current Fund Capital Outlay</b>	<b>\$0</b>	<b>\$6,222,588</b>
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### **General Plant**

UTS Projects	\$0	\$1,488,970
Fleet in-Service for all of Water	0	287,170
HVAC Units	0	80,000
Pole Building	0	20,000
Customer Service Division Projects	200,000	972,020
Plant/Equipment Failure Contingency Fund	260,000	660,000
Tacoma Water AMI	400,000	50,000
Equipment/GIS	3,881,000	0
<b>General Plant Total</b>	<b>\$4,741,000</b>	<b>\$3,558,160</b>

### **Water Distribution**

Water Division Projects	\$0	\$2,948,950
Distribution Office Security Reconfiguration	0	30,899
Public/Franchise Required Projects	0	553,750
Retire Mains	0	80,000
LID/Contract Contributions	0	200,000
Blowoff Installation and Replacement	0	327,392
Meter Upgrade Project	0	4,421,005
Distribution Main Upgrades & Renewals	5,187,000	6,936,000
Distribution Tools	100,000	100,000
Hydrant and Valve Installation and Replacement	2,280,000	1,598,780
Capital Meter Purchases	350,000	400,000
Water Service Replacement and Renewal	8,510,000	3,392,331
Online Permitting	40,000	0
Commercial Industrial Customized Rebate Program	100,000	0
Public Road Projects	4,843,000	0
<b>Water Distribution Total</b>	<b>\$21,410,000</b>	<b>\$20,989,107</b>

<b>TACOMA WATER</b>	<b>2013-14 *</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### Water Quality

Palmer Pump Station	\$0	\$300,000
Enhanced System Monitoring (Prairie Springs)	0	170,000
Permanent Sample Stations	0	74,400
Land Acquisition and Strategy	0	500,000
Various Equipment	0	200,000
Muckleshoot Agreement	1,250,000	500,000
Chlorine Replacement	600,000	0
Groundwater Treatment-STPS	100,000	0
1st Diversion Share:		
North Fork Wells 2-6 MCC Replacement	0	185,683
Major Water Treatment Equipment	86,905	58,226
Watershed Betterments	146,435	98,202
HCP Culvert Replacement	228,000	272,818
HCP Fish Habitat/Road Protection	78,222	0
Intake Modifications	708,450	0
Water Filtration Plant	80,940,612	0
<b>Water Quality Total</b>	<b>\$84,138,624</b>	<b>\$2,359,329</b>

### Water Supply

Demo Buildings at McMillin	\$0	\$110,000
Meter Installation Project	0	250,000
West McDonald Ridge Permanent Power	0	485,000
Corrosion Control Projects	530,000	516,051
Supply System Improvements	460,000	460,000
Replace Large Valves	230,000	230,000
Communication Systems	230,000	200,000
SCADA Systems	115,000	200,000
Transmission Main Renew and Replacements	1,255,000	3,164,365
Replace and Improve Wells	546,000	288,000
Supply Tools	58,000	50,000
Transmission Line Additions/Relocates	4,600,000	0
Vulnerability Assessment Modifications	1,380,000	0
<b>Water Supply Total</b>	<b>\$9,404,000</b>	<b>\$5,953,416</b>

<b>Total Capital Outlay</b>	<b>\$119,693,624</b>	<b>\$32,860,012</b>
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\* The 2013-14 Capital Outlay Budget has been restated.

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**TACOMA RAIL**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**



<b>TACOMA RAIL</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>* Amended Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Switching Revenue	\$39,550,060	\$51,873,738	\$59,318,343
Miscellaneous Revenue	2,897,358	2,420,000	3,682,029
<b>Total Operating Revenue</b>	<b>42,447,418</b>	<b>54,293,738</b>	<b>63,000,372</b>
Other Income	2,907,227	1,765,184	2,642,885

<b>Total Revenue &amp; Available Funds</b>	<b>\$45,354,645</b>	<b>\$56,058,922</b>	<b>\$65,643,257</b>
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### **EXPENDITURES**

Personnel Costs	\$21,783,711	\$25,903,879	\$30,931,089
Supplies, Other Services & Charges	12,710,733	14,961,903	16,619,096
Capital Outlay	3,353,627	3,900,000	5,967,000
Debt Service	1,201,062	1,183,140	1,431,736
Taxes	4,307,148	5,410,000	6,361,000
Volume Incentive	1,208,333	4,700,000	4,333,336

<b>Total Expenditures</b>	<b>\$44,564,614</b>	<b>\$56,058,922</b>	<b>\$65,643,257</b>
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### **CAPITAL OUTLAY FINANCING DETAIL**

Anticipated Bank Loan Proceeds/Grants		\$3,400,000	\$4,591,000
Current Fund Capital Outlay		3,900,000	5,967,000

<b>Total Capital Outlay</b>		<b>\$7,300,000</b>	<b>\$10,558,000</b>
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\* Includes 2013-14 mid biennium adjustment

<b>PERSONNEL - Budgeted FTEs</b>	<b>96.0 / 96.0</b>	<b>101.0 / 101.0</b>	<b>121.0 / 122.0</b>
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<b>TACOMA RAIL</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>* Amended Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

Switching Revenue	\$39,550,060	\$51,873,738	\$59,318,343
Miscellaneous Revenue	2,897,358	2,420,000	3,682,029
<b>Total Operating Revenue</b>	<b>42,447,418</b>	<b>54,293,738</b>	<b>63,000,372</b>

Other Income	2,907,227	1,765,184	2,642,885
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<b>Total Revenue &amp; Available Funds</b>	<b>\$45,354,645</b>	<b>\$56,058,922</b>	<b>\$65,643,257</b>
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### **REVENUE DETAIL**

#### **Switching Revenue**

Line Hauls & Local	\$37,488,178	\$49,644,174	\$57,170,343
Demurrage	2,061,882	2,229,564	2,148,000
<b>Total Switching Revenue</b>	<b>39,550,060</b>	<b>51,873,738</b>	<b>59,318,343</b>

Locomotive Servicing	1,259,551	1,773,416	2,723,229
Miscellaneous Revenue	1,637,807	646,584	958,800
<b>Total Miscellaneous Revenue</b>	<b>2,897,358</b>	<b>2,420,000</b>	<b>3,682,029</b>

<b>Total Operating Revenue</b>	<b>\$42,447,418</b>	<b>\$54,293,738</b>	<b>\$63,000,372</b>
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#### **Other Income**

Rent & Other Income	2,775,250	1,607,820	2,006,760
Interest Income	131,977	157,364	187,200
<b>Total Non-Operating Revenue</b>	<b>2,907,227</b>	<b>1,765,184</b>	<b>2,193,960</b>

Appropriation from Fund Balance	0	0	448,925
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<b>Total Revenue &amp; Available Funds</b>	<b>\$45,354,645</b>	<b>\$56,058,922</b>	<b>\$65,643,257</b>
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\* Includes 2013-14 mid biennium adjustment



<b>TACOMA RAIL</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>* Amended Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation and Maintenance by Section**

Rail Administration	\$12,715,305	\$18,906,987	\$20,079,293
Operations	15,789,359	19,048,646	23,408,123
Mechanical	7,261,226	7,983,380	9,808,725
Construction	4,244,035	5,036,769	4,948,380

<b>Total for Division</b>	<b>\$40,009,925</b>	<b>\$50,975,782</b>	<b>\$58,244,521</b>
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**SUMMARY - Operation and Maintenance by Category**

Salaries & Wages	\$16,099,770	\$18,854,676	\$22,722,214
Employee Benefits	6,489,042	7,791,829	9,286,998
Capital Credit & Labor To/From Others	(805,101)	(742,626)	(1,078,123)
<b>Total Personnel Costs</b>	<b>21,783,711</b>	<b>25,903,879</b>	<b>30,931,089</b>
Supplies	2,436,758	2,225,430	2,378,668
Services	6,725,397	7,309,702	7,180,765
Other Charges	1,597,657	3,000,699	3,849,360
Assessments	1,950,921	2,426,072	3,210,303
Taxes	4,307,148	5,410,000	6,361,000
Volume Incentive	1,208,333	4,700,000	4,333,336

<b>Total for Division</b>	<b>\$40,009,925</b>	<b>\$50,975,782</b>	<b>\$58,244,521</b>
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\* Includes 2013-14 mid biennium adjustment

<b>TACOMA RAIL Taxes</b>	<b>2011-12 Biennium Actual</b>	<b>2013-14 * Amended Budget</b>	<b>2015-16 Biennium Budget</b>
City of Tacoma:			
Gross Earnings Tax (8.0%)	\$3,563,518	\$4,500,000	\$5,227,000
State of Washington:			
Utility & Business Tax (1.8%)	743,630	910,000	1,134,000
Subtotal	<b>4,307,148</b>	<b>5,410,000</b>	<b>6,361,000</b>
Federal Railroad Taxes	2,873,577	3,639,022	3,945,162
<b>Total Tacoma Rail Taxes</b>	<b>\$7,180,725</b>	<b>\$9,049,022</b>	<b>\$10,306,162</b>

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.

\* Includes 2013-14 mid biennium adjustment

<b>TACOMA RAIL</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Debt Service</b>	<b>Biennium Actual</b>	<b>* Amended Budget</b>	<b>Biennium Budget</b>

**DEBT SERVICE SUMMARY**

Interest	\$143,027	\$95,826	\$30,214
Principal	1,058,035	1,087,314	1,401,522

<b>Total Debt Service</b>	<b>\$1,201,062</b>	<b>\$1,183,140</b>	<b>\$1,431,736</b>
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**DEBT SERVICE DETAIL**

Interfund Loan - \$3,310,000	Interest	\$24,196	\$9,930	\$0
	Principal	662,000	331,000	0
Revenue Bond - \$2,000,000	Interest	118,831	85,896	30,214
	Principal	396,035	434,936	490,617
Rail Bank Loans - \$6,026,630	Principal	0	321,378	910,905

<b>Total Debt Service</b>	<b>\$1,201,062</b>	<b>\$1,183,140</b>	<b>\$1,431,736</b>
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\* Includes 2013-14 mid biennium adjustment

<b>TACOMA RAIL</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>* Amended Budget</b>	<b>Biennium Budget</b>

### **SUMMARY**

General Plant	\$190,000	\$20,000
Communications	150,000	500,000
Facility Upgrades	575,000	1,100,000
Rail Equipment/Vehicles	2,015,000	2,665,000
Track Improvements	4,370,000	6,273,000

<b>Sub-Total</b>	<b>\$7,300,000</b>	<b>\$10,558,000</b>
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US Oil Pledge	\$0	(\$235,000)
Projects Funded from Grants	0	(803,000)
Projects Funded from Rail Bank Loan Proceeds	0	(1,553,000)
Projects Funded from Anticipated Bank Loan Proceeds	(2,700,000)	(2,000,000)
Projects Funded from Locomotive Replacement Fund	(700,000)	0

<b>Total Current Fund Capital Outlay</b>	<b>\$3,900,000</b>	<b>\$5,967,000</b>
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### **General Plant**

Technology Upgrade	\$40,000	\$20,000
Septic Connection to New Facility	100,000	0
Reporting Trailer	50,000	0
<b>General Plant Total</b>	<b>\$190,000</b>	<b>\$20,000</b>

### **Communications**

Radio Repeater Upgrades	\$0	\$150,000
PTC - Onboard Locomotive Equipment	150,000	350,000
<b>Communications Total</b>	<b>\$150,000</b>	<b>\$500,000</b>

### **Facility Upgrades**

Security	\$0	\$100,000
Locomotive Shop Pit	0	1,000,000
Main Shop Upgrades	500,000	0
Shop Equipment & Tools	75,000	0
<b>Facility Upgrades Total</b>	<b>\$575,000</b>	<b>\$1,100,000</b>

<b>TACOMA RAIL</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>* Amended Budget</b>	<b>Biennium Budget</b>

### **Rail Equipment/Vehicles**

Repower/Replace TMBL 2006	\$1,400,000	\$1,505,000
Locomotive Repower	0	500,000
Ballast Regulator	0	350,000
High Rail Excavator	0	250,000
Trucks & Equipment	115,000	60,000
Hi-Rail Gear	50,000	0
Front Loader	250,000	0
Backhoe	125,000	0
Coach Upgrades	75,000	0
<b>Rail Equipment/Vehicles Total</b>	<b>\$2,015,000</b>	<b>\$2,665,000</b>

### **Track Improvement Projects**

Tidelands Infrastructure Improvements	\$1,730,000	\$500,000
Alexander Wye Crossings	325,000	120,000
SR 509 Track Rebuild Project	0	1,300,000
Track 13 Rail Relay	0	535,000
West Lead High Side	0	537,000
West Lead Low Side	0	684,000
East Lead Low Side	0	673,000
Port of Tacoma Road Crossings	0	354,000
Transfer Yard Connection	0	343,000
Edwards Crossover	0	225,000
Taylor Wye and Hylebos Creek Bridge Relay	0	357,000
Loop Track Upgrade - (Concrete Tech)	0	645,000
Additional Feet of Railroad Track	625,000	0
Crossing Signal Systems Upgrade	250,000	0
Rail Relay & Dbl Track SR-509	990,000	0
Rail Relay 781-782	265,000	0
NW Tracks in Targa/MacMillan Piper Area	185,000	0
<b>Track Improvement Projects Total</b>	<b>\$4,370,000</b>	<b>\$6,273,000</b>

<b>Total Capital Outlay</b>	<b>\$7,300,000</b>	<b>\$10,558,000</b>
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\* Includes 2013-14 mid biennium adjustment

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**FLEET SERVICES FUND**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**





<b>FLEET SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE**

Replacement Fees	\$4,880,229	\$3,880,169	\$9,344,312
Administrative Overhead	1,271,151	2,116,979	1,831,173
Fees for Services	5,170,623	7,805,351	7,091,036
<b>Total Operating Revenue</b>	<b>11,322,003</b>	<b>13,802,499</b>	<b>18,266,521</b>
Other Income	1,142,164	200,000	125,000
Appropriation from Fund Balance	0	10,115,956	15,025,463
<b>Total Revenue &amp; Available Funds</b>	<b>\$12,464,167</b>	<b>\$24,118,455</b>	<b>\$33,416,984</b>

### **EXPENDITURES**

Personnel Costs	\$5,571,007	\$5,815,000	\$5,847,034
Supplies	247,579	352,676	190,013
Services	565,568	785,466	1,060,991
Other Charges	499,223	821,971	673,480
Assessments	717,531	1,741,814	1,303,466
<b>Total Operations &amp; Maintenance</b>	<b>7,600,908</b>	<b>9,516,927</b>	<b>9,074,984</b>
<b>Capital Outlay</b>	<b>6,513,245</b>	<b>14,601,528</b>	<b>24,342,000</b>
<b>Total Expenditures</b>	<b>\$14,114,153</b>	<b>\$24,118,455</b>	<b>\$33,416,984</b>

<b>PERSONNEL - Budgeted FTEs</b>	<b>32.0 / 32.0</b>	<b>30.0 / 30.0</b>	<b>29.5 / 29.5</b>
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<b>FLEET SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Revenue</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

### **REVENUE SUMMARY**

#### **Operating Revenue**

Replacement Fees	\$4,880,229	\$3,880,169	\$9,344,312
Administrative Overhead	1,271,151	2,116,979	1,831,173
Maintenance - Labor	4,331,204	6,940,776	6,213,536
Maintenance - Parts Overhead	447,568	467,255	475,000
Fuel Overhead	187,116	186,570	180,000
Pool Car Use	150,835	160,000	160,000
Misc Work Order Revenue	53,900	50,750	62,500

<b>Total Operating Revenue</b>	<b>\$11,322,003</b>	<b>\$13,802,499</b>	<b>\$18,266,521</b>
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#### **Non-Operating Revenue**

Interest	220,255	200,000	125,000
Other Revenue	921,909	0	0

<b>Total Non-Operating Revenue</b>	<b>1,142,164</b>	<b>200,000</b>	<b>125,000</b>
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Appropriation from Fund Balance	0	10,115,956	15,025,463
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<b>Total Revenue &amp; Available Funds</b>	<b>\$12,464,167</b>	<b>\$24,118,455</b>	<b>\$33,416,984</b>
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<b>FLEET SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

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

Salaries & Wages	\$3,924,133	\$4,215,072	\$4,109,044
Employee Benefits	2,033,184	1,957,128	2,001,402
Capital Credit & Labor To/From Others	(386,310)	(357,200)	(263,412)
<b>Total Personnel Costs</b>	<b>5,571,007</b>	<b>5,815,000</b>	<b>5,847,034</b>
Supplies	247,579	352,676	190,013
Services	565,568	785,466	1,060,991
Other Charges	499,223	821,971	673,480
Assessments	717,531	1,741,814	1,303,466

<b>Total Operation &amp; Maintenance</b>	<b>\$7,600,908</b>	<b>\$9,516,927</b>	<b>\$9,074,984</b>
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<b>Capital Outlay</b>	<b>6,513,245</b>	<b>14,601,528</b>	<b>24,342,000</b>
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<b>Total for Division</b>	<b>\$14,114,153</b>	<b>\$24,118,455</b>	<b>\$33,416,984</b>
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#### **Fleet Services Administration (574200)**

Salaries & Wages	\$527,869	\$682,393	\$649,358
Employee Benefits	246,748	297,495	277,189
Capital Credit & Labor To/From Others	126,814	87,800	233,300
<b>Total Personnel Costs</b>	<b>901,431</b>	<b>1,067,688</b>	<b>1,159,847</b>
Supplies	31,973	48,018	22,078
Services	89,537	21,400	358,701
Other Charges	95,954	237,519	135,691
Assessments	717,531	1,741,814	1,303,466
<b>Total</b>	<b>\$1,836,426</b>	<b>\$3,116,439</b>	<b>\$2,979,783</b>

#### **Fleet Services Shop (574201)**

Salaries & Wages	\$3,028,223	\$3,109,578	\$3,062,713
Employee Benefits	1,603,128	1,475,009	1,530,690
Capital Credit & Labor To/From Others	(513,908)	(450,000)	(496,712)
<b>Total Personnel Costs</b>	<b>4,117,443</b>	<b>4,134,587</b>	<b>4,096,691</b>
Supplies	204,863	266,329	146,794
Services	171,336	406,417	232,217
Other Charges	408,695	509,059	462,185
<b>Total</b>	<b>\$4,902,337</b>	<b>\$5,316,392</b>	<b>\$4,937,887</b>

<b>FLEET SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Division Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Fleet Services Parts (574202)**

Salaries & Wages	\$368,041	\$423,101	\$396,973
Employee Benefits	183,308	184,624	193,523
Capital Credit & Labor To/From Others	0	0	0
<b>Total Personnel Costs</b>	<b>551,349</b>	<b>607,725</b>	<b>590,496</b>
Supplies	(2,863)	16,829	17,141
Services	31,776	33,952	56,381
Other Charges	(33,425)	45,393	45,604
<b>Total</b>	<b>\$546,837</b>	<b>\$703,899</b>	<b>\$709,622</b>

**Fleet Services Motor Pool (574205)**

Salaries & Wages	\$0	\$0	\$0
Employee Benefits	0	0	0
Capital Credit & Labor To/From Others	784	5,000	0
<b>Total Personnel Costs</b>	<b>784</b>	<b>5,000</b>	<b>0</b>
Supplies	13,606	21,500	4,000
Services	272,919	323,697	413,692
Other Charges	27,999	30,000	30,000
<b>Total</b>	<b>\$315,308</b>	<b>\$380,197</b>	<b>\$447,692</b>

<b>Total for Division</b>	<b>\$7,600,908</b>	<b>\$9,516,927</b>	<b>\$9,074,984</b>
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<b>FLEET SERVICES</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Capital Outlay</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Administration**

Pool Vehicle Reservation System Expansion	\$40,000	\$40,000
Fleet Body Shop Reconfiguration Project	70,000	70,000
Fleet Data Analysis & Benchmarking Service/SAP Enhancement	0	65,000
<b>Administration Total</b>	<b>\$110,000</b>	<b>\$175,000</b>

**Shop**

In Ground Scales	\$70,000	\$70,000
Shop Hoist	20,000	20,000
<b>Shop Total</b>	<b>\$90,000</b>	<b>\$90,000</b>

**Vehicles (Fleet Responsibility Only)**

Tacoma Power	\$11,978,086	\$20,345,000
Tacoma Water	1,568,151	2,872,000
Tacoma Rail	352,295	93,000
Service Divisions	502,996	767,000
<b>Vehicles Total (Fleet Responsibility Only)</b>	<b>\$14,401,528</b>	<b>\$24,077,000</b>

<b>Total Capital Outlay</b>	<b>\$14,601,528</b>	<b>\$24,342,000</b>
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**SELF INSURANCE FUND**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**





<b>SELF INSURANCE CLAIM FUND</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</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	\$2,190,000	\$1,620,000	\$1,800,000
Transfers - Tacoma Water	616,377	360,000	480,000
Transfers - Tacoma Rail	408,000	100,000	200,000
Interest	158,919	75,000	100,000
Appropriation from Fund Balance	0	1,995,579	658,211

<b>Total Revenue &amp; Available Funds</b>	<b>\$3,373,296</b>	<b>\$4,150,579</b>	<b>\$3,238,211</b>
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### **EXPENDITURES**

Secondary Labor Costs	\$293	\$0	\$0
Supplies	135	250	500
Services	830,845	1,500,000	1,000,000
Other Charges	1,495,286	2,333,369	2,000,200
Assessments	250,666	316,960	237,511

<b>Total Expenditures</b>	<b>\$2,577,225</b>	<b>\$4,150,579</b>	<b>\$3,238,211</b>
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**FAMILY NEED FUND**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**



<b>FAMILY NEED FUND</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Recapitulation of Biennial Budget</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**RECEIPTS**

Public Contributions	\$57,251	\$0	\$0
Tacoma Power Contribution	900,000	1,800,000	960,000
Interest	22,185	0	0
Appropriation from Fund Balance	0	120,000	1,020,000

<b>Total Receipts</b>	<b>\$979,436</b>	<b>\$1,920,000</b>	<b>\$1,980,000</b>
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**EXPENDITURES**

Family Need	\$1,339,148	\$1,920,000	\$1,980,000
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<b>Total Expenditures</b>	<b>\$1,339,148</b>	<b>\$1,920,000</b>	<b>\$1,980,000</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**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**





<b>TPU ADMINISTRATION</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$5,154,820	\$6,294,711	\$7,265,650
Employee Benefits	1,782,445	2,289,435	2,696,653
Capital Credit & Labor To/From Others	18,882	85,000	25,000
<b>Total Personnel Costs</b>	<b>6,956,147</b>	<b>8,669,146</b>	<b>9,987,303</b>
Supplies	310,302	406,448	419,238
Services	1,366,125	2,087,570	2,623,507
Other Charges	1,691,100	2,475,226	2,320,032
Assessments	280,937	433,548	494,273
<b>Total Supplies, Services &amp; Other</b>	<b>3,648,464</b>	<b>5,402,792</b>	<b>5,857,050</b>
<b>Capital Outlay</b>	<b>0</b>	<b>400,000</b>	<b>0</b>
<b>Total for TPU Administration</b>	<b>\$10,604,611</b>	<b>\$14,471,938</b>	<b>\$15,844,353</b>

**Director & Board (575100)**

Salaries & Wages	\$834,374	\$852,529	\$927,375
Employee Benefits	186,352	233,388	314,850
Capital Credit & Labor To/From Others	32,350	25,000	25,000
<b>Total Personnel Costs</b>	<b>1,053,076</b>	<b>1,110,917</b>	<b>1,267,225</b>
Supplies	58,252	39,759	56,690
Services	156,606	505,000	504,000
Other Charges	605,086	817,483	688,199
Assessments	35,629	62,332	68,645
<b>Total</b>	<b>\$1,908,649</b>	<b>\$2,535,491</b>	<b>\$2,584,759</b>

**Management Services Office (575200)**

Salaries & Wages	\$1,472,088	\$1,686,176	\$1,794,915
Employee Benefits	543,743	589,349	669,140
Capital Credit & Labor To/From Others	0	60,000	0
<b>Total Personnel Costs</b>	<b>2,015,831</b>	<b>2,335,525</b>	<b>2,464,055</b>
Supplies	24,557	25,119	31,852
Services	49,946	62,000	63,260
Other Charges	107,447	164,466	169,561
Assessments	84,279	86,361	118,010
<b>Total</b>	<b>\$2,282,060</b>	<b>\$2,673,471</b>	<b>\$2,846,738</b>

<b>TPU ADMINISTRATION</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Public Affairs Office (575701)**

Salaries & Wages		\$893,326	\$1,191,483
Employee Benefits		282,538	383,157
Capital Credit & Labor To/From Others		0	0
<b>Total Personnel Costs</b>	<b>0</b>	<b>1,175,864</b>	<b>1,574,640</b>
Supplies		15,000	28,049
Services		309,200	529,672
Other Charges		138,081	146,912
Assessments		17,791	47,873
<b>Total</b>	<b>0</b>	<b>\$1,655,936</b>	<b>\$2,327,146</b>

**Customer Solutions Administration (572000)**

Salaries & Wages		\$574,408	\$761,985
Employee Benefits		226,920	259,331
Capital Credit & Labor To/From Others		0	0
<b>Total Personnel Costs</b>	<b>0</b>	<b>801,328</b>	<b>1,021,316</b>
Supplies		18,450	19,584
Services		158,000	634,240
Other Charges		78,000	44,542
Assessments		56,279	34,248
<b>Total Supplies, Services &amp; Other</b>	<b>0</b>	<b>310,729</b>	<b>732,614</b>
<b>Capital Outlay</b>	<b>0</b>	<b>400,000</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>\$1,512,057</b>	<b>\$1,753,930</b>

**Account Executives (572100)**

Salaries & Wages	\$710,782	\$596,097	\$587,044
Employee Benefits	254,806	219,298	225,577
Capital Credit & Labor To/From Others	(976)	0	0
<b>Total Personnel Costs</b>	<b>964,612</b>	<b>815,395</b>	<b>812,621</b>
Supplies	24,182	36,618	15,984
Services	50,243	168,354	56,758
Other Charges	79,622	161,346	62,949
Assessments	16,934	49,920	45,507
<b>Total</b>	<b>\$1,135,593</b>	<b>\$1,231,633</b>	<b>\$993,819</b>

<b>TPU ADMINISTRATION</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**Community & Media Services Office (575700)**

Salaries & Wages	\$2,031,696	\$1,585,849	\$1,973,319
Employee Benefits	747,325	684,802	829,272
Capital Credit & Labor To/From Others	(12,492)	0	0
<b>Total Personnel Costs</b>	<b>2,766,529</b>	<b>2,270,651</b>	<b>2,802,591</b>
Supplies	132,943	137,873	183,485
Services	949,180	605,016	595,577
Other Charges	694,940	825,750	754,404
Assessments	140,165	157,134	178,216
<b>Total</b>	<b>\$4,683,757</b>	<b>\$3,996,424</b>	<b>\$4,514,273</b>

**Copier Services (577400)**

Salaries & Wages	\$105,880	\$106,326	\$29,529
Employee Benefits	50,219	53,140	15,326
Capital Credit & Labor To/From Others	0	0	0
<b>Total Personnel Costs</b>	<b>156,099</b>	<b>159,466</b>	<b>44,855</b>
Supplies	70,368	133,629	83,594
Services	160,150	280,000	240,000
Other Charges	204,005	290,100	453,465
Assessments	3,930	3,731	1,774
<b>Total</b>	<b>\$594,552</b>	<b>\$866,926</b>	<b>\$823,688</b>

<b>Total for TPU Administration</b>	<b>\$10,604,611</b>	<b>\$14,471,938</b>	<b>\$15,844,353</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>28.5 / 28.5</b>	<b>31.0 / 31.0</b>	<b>34.0 / 34.0</b>
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<b>TPU SUPPORT SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

**TPU Real Property Services (576800)**

Salaries & Wages	\$78,824	\$1,097,333	\$1,177,957
Employee Benefits	47,767	508,258	515,259
Capital Credit & Labor To/From Others	1,134,924	0	0
<b>Total Personnel Costs</b>	<b>1,261,515</b>	<b>1,605,591</b>	<b>1,693,216</b>
Supplies	17,344	23,121	24,932
Services	3,757	7,450	8,500
Other Charges	131,842	142,716	157,609
Assessments	45,593	53,453	54,363

<b>Total for TPU Real Property Services</b>	<b>\$1,460,051</b>	<b>\$1,832,331</b>	<b>\$1,938,620</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>7.05 / 7.05</b>	<b>7.07 / 7.07</b>	<b>7.12 / 7.12</b>
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**SUMMARY - Operation & Maintenance by Category**

**TPU IT Dedicated Resources (575900)**

Salaries & Wages		\$1,757,301	\$1,720,084
Employee Benefits		669,398	664,621
Capital Credit & Labor To/From Others		0	0
<b>Total Personnel Costs</b>	<b>0</b>	<b>2,426,699</b>	<b>2,384,705</b>
Supplies		0	17,541
Services		0	0
Other Charges		0	0
Assessments		68,503	141,383

<b>Total for TPU IT Dedicated Resources</b>	<b>0</b>	<b>\$2,495,202</b>	<b>\$2,543,629</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>9.0 / 9.0</b>	<b>9.0 / 9.0</b>
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<b>TPU SUPPORT SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

**TPU UTS Software & Desktop Support (579800)**

Salaries & Wages	\$1,586,820	\$1,683,541	\$1,075,360
Employee Benefits	528,935	596,204	400,540
Capital Credit & Labor To/From Others	1,815	0	(327,500)
<b>Total Personnel Costs</b>	<b>2,117,570</b>	<b>2,279,745</b>	<b>1,148,400</b>
Supplies	433,101	334,423	143,143
Services	61,397	151,989	124,000
Other Charges	446,516	526,497	447,408
Assessments	132,647	183,457	174,911

<b>Total for Software &amp; Desktop Support</b>	<b>\$3,191,231</b>	<b>\$3,476,111</b>	<b>\$2,037,862</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>8.0 / 8.0</b>	<b>8.0 / 8.0</b>	<b>5.0 / 5.0</b>
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**CUSTOMER SERVICES DIVISION**

**TACOMA PUBLIC UTILITIES**

**2015/2016**

**PRELIMINARY BIENNIUM BUDGET**





<b>CUSTOMER SERVICES</b>	<b>2011-12</b>	<b>2013-14</b>	<b>2015-16</b>
<b>Section Consolidation</b>	<b>Biennium Actual</b>	<b>Biennium Budget</b>	<b>Biennium Budget</b>

**SUMMARY - Operation & Maintenance by Category**

Salaries & Wages	\$17,077,942	\$20,019,616	\$20,595,187
Employee Benefits	7,487,569	9,275,424	9,448,547
Capital Credit & Labor To/From Others	(30,129)	(425,983)	(632,695)
<b>Total Personnel Costs</b>	<b>24,535,382</b>	<b>28,869,057</b>	<b>29,411,039</b>
Supplies	896,933	868,299	956,060
Services	1,590,317	1,350,350	1,549,402
Other Charges	2,555,521	2,704,289	3,375,729
Total Assessments	2,399,382	3,239,557	3,529,504
<b>Total Supplies &amp; Other Charges</b>	<b>7,442,153</b>	<b>8,162,495</b>	<b>9,410,695</b>

<b>Total Operation &amp; Maintenance</b>	<b>\$31,977,535</b>	<b>\$37,031,552</b>	<b>\$38,821,734</b>
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<b>Capital Outlay</b>	<b>1,017,544</b>	<b>1,770,000</b>	<b>4,580,000</b>
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<b>Total for Customer Services</b>	<b>\$32,995,079</b>	<b>\$38,801,552</b>	<b>\$43,401,734</b>
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**SUMMARY - Operation & Maintenance by Cost Center**

**Customer Services Admin**

579500 TPU CS Support Services	\$1,132,867	\$1,188,551	1,076,995
579600 TPU CS Switchboard	133,726	164,636	174,965
579700 TPU CS Administration	2,631,722	3,829,682	5,307,797

**Customer Services Operations**

578900 TPU CS Operations Admin	335,488	784,310	1,056,779
579100 TPU CS Mail Svcs	2,629,028	3,203,895	3,305,904
579200 TPU CS Field Investigation	3,996,473	4,708,929	4,118,501
579300 TPU TMB Mail Services	464,919	621,479	639,490
579400 TPU CS Meter Reading	3,467,522	3,855,713	3,882,638

**Customer Services Business Office**

577100 TPU CS Training	719,867	803,111	578,839
577200 TPU CS Phones	5,608,299	6,646,961	7,033,310
578100 TPU CS Lobby Svcs	1,708,746	2,151,928	2,150,471
578500 TPU CS Back Office	3,271,212	1,631,417	3,588,418
579000 TPU CS Commercial Res	1,040,360	3,102,052	1,362,184
579900 TPU CS Bus Office Admin	3,238,727	2,617,296	3,096,357

**CS Customer Resources**

572400 TPU CS PayGo	765,096	478,225	450,718
572500 TPU CS Residential Res	833,483	1,243,367	998,368

<b>Total Operation &amp; Maintenance</b>	<b>\$31,977,535</b>	<b>\$37,031,552</b>	<b>\$38,821,734</b>
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<b>Capital Outlay</b>	<b>1,017,544</b>	<b>1,770,000</b>	<b>4,580,000</b>
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<b>Total for Customer Services</b>	<b>\$32,995,079</b>	<b>\$38,801,552</b>	<b>\$43,401,734</b>
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<b>PERSONNEL - Budgeted FTEs</b>	<b>141.0 / 141.0</b>	<b>145.0 / 145.0</b>	<b>146.0 / 146.0</b>
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