



2017-2018
CITY OF
TACOMA

BIENNIAL BUDGET

CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

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CORE SERVICES CONTINUOUS IMPROVEMENT CREDIBILITY

Environmental Services

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

City Council Budget Worksession

October 18, 2016

Agenda

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

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Department Overview

Mission Statement

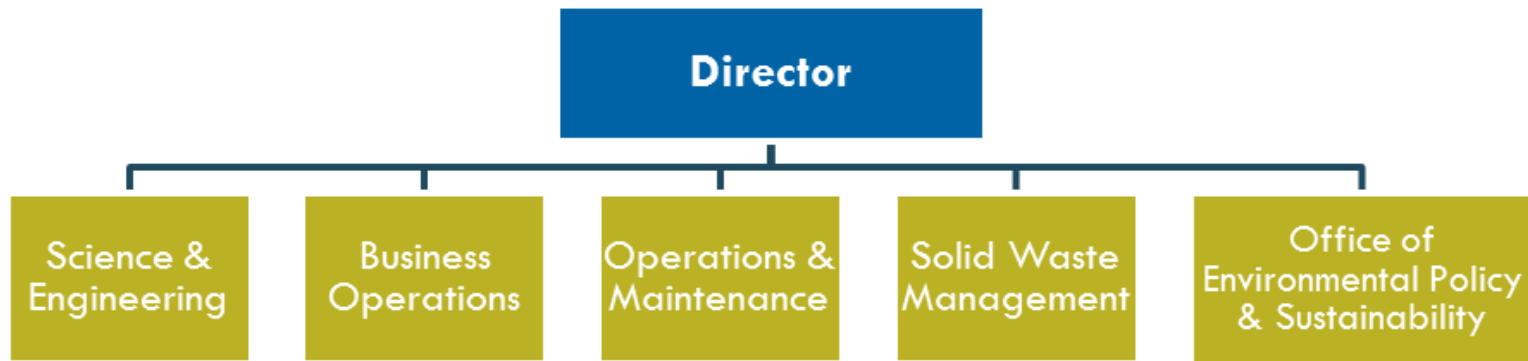
Provide sustainable and cost-effective management services to protect the environment, recover value from Tacoma's waste streams, and enhance the quality of life for citizens and ratepayers.



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Organizational Structure



2015-2016 Accomplishments

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

2015-2016 Accomplishments

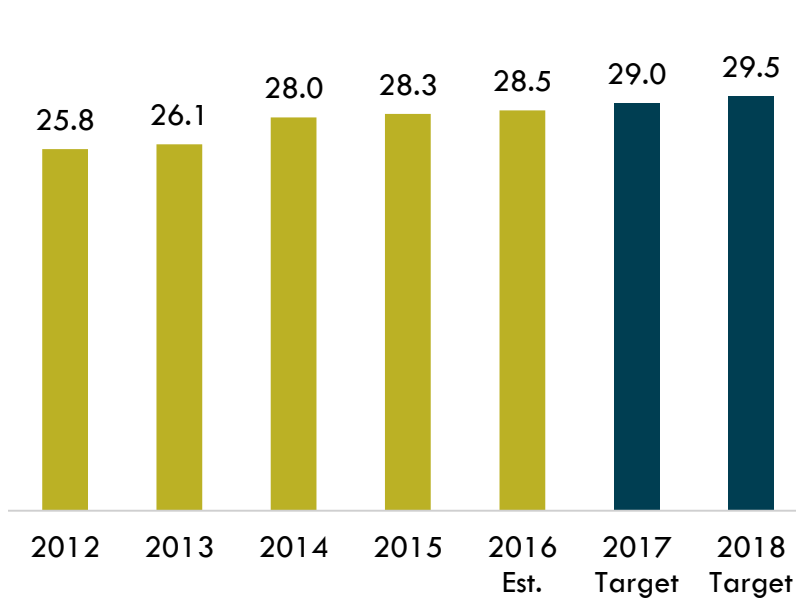
- Wastewater Utility, Utility of the Future Award, Water Environment Federation
- Central Treatment Plant (CTP), Governor's Award for Leadership in Energy Performance, Governor Jay Inslee
- CTP Floodwall named American Public Works Association National Project of the Year for Emergency/Disaster Preparedness,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

Goals

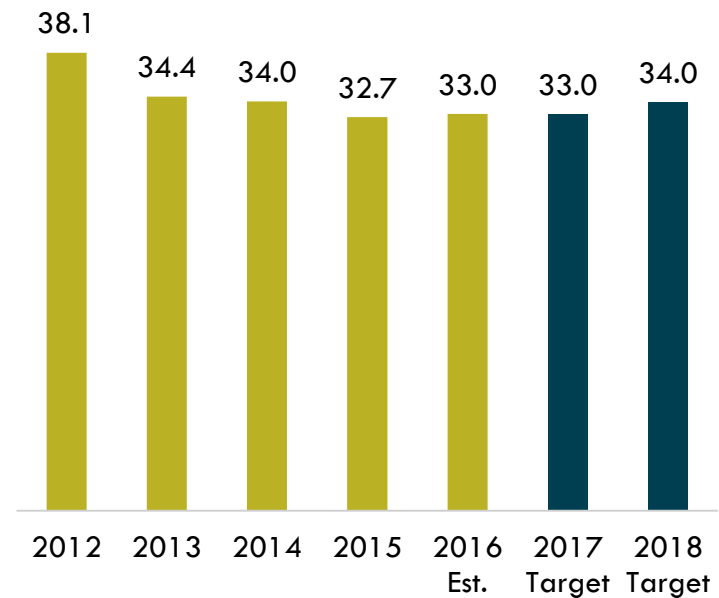
- Waste Diversion from Landfills
- Asset Management Plans for Storm Water and Wastewater Collection Systems
- Customer Satisfaction

Waste Diversion from Landfills

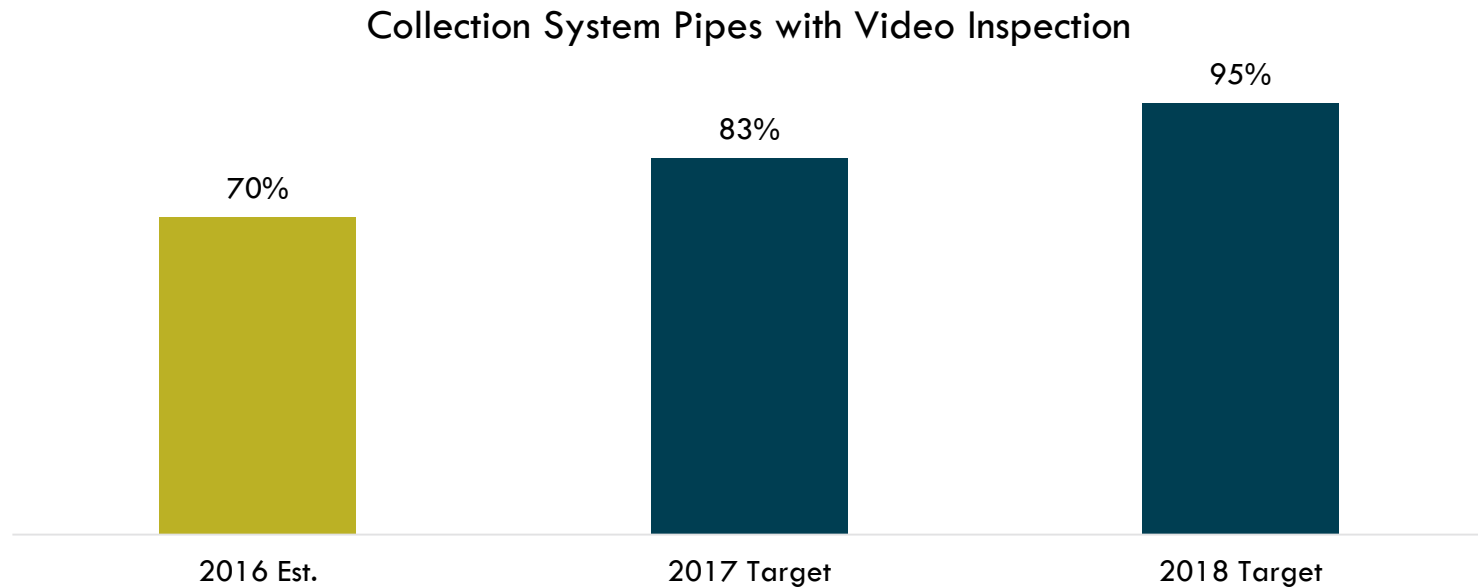
Recycling (Thousands of Tons)



Organics (Thousands of Tons)



Asset Management Plans



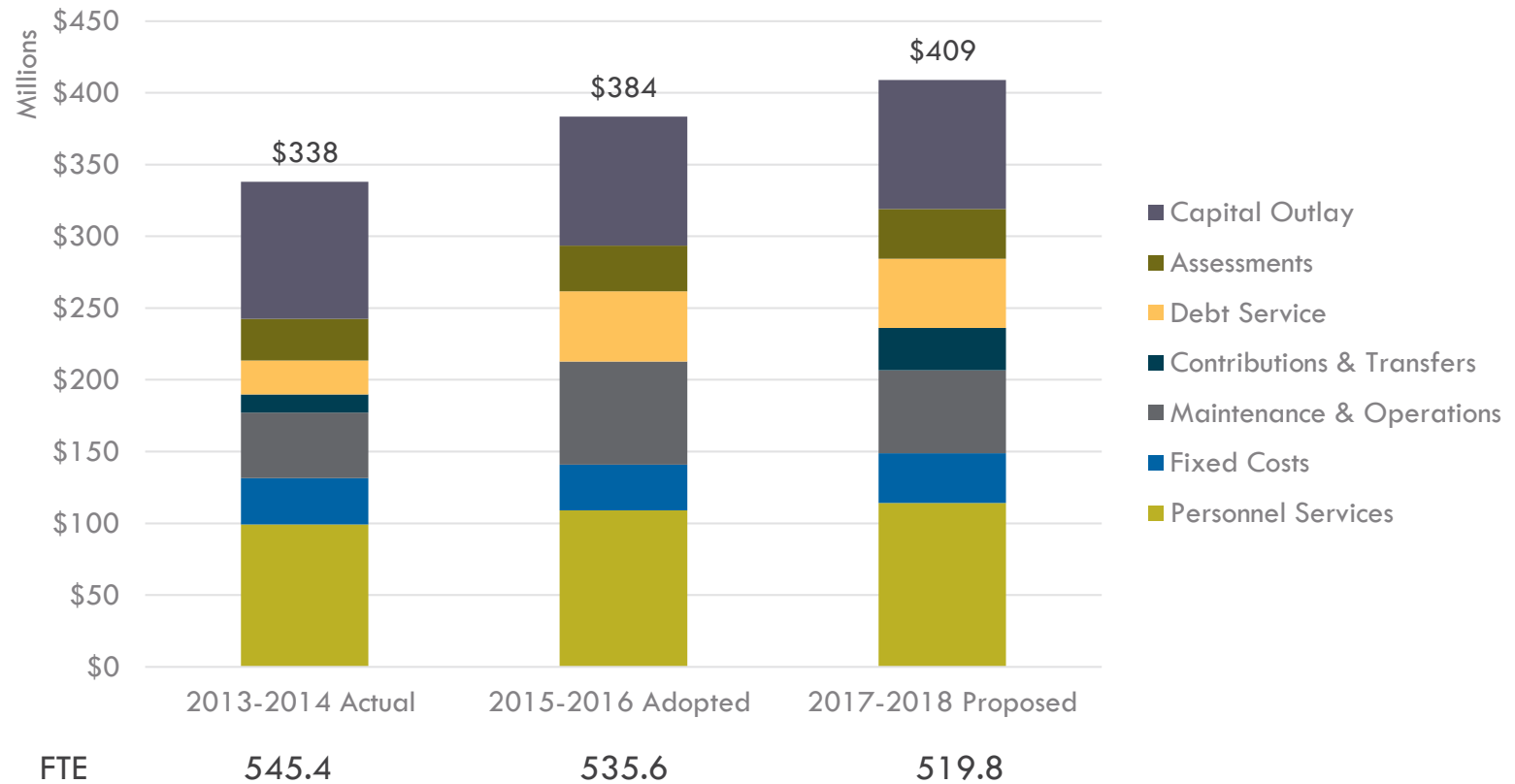
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2017-2018 Budget Overview

Budget Overview

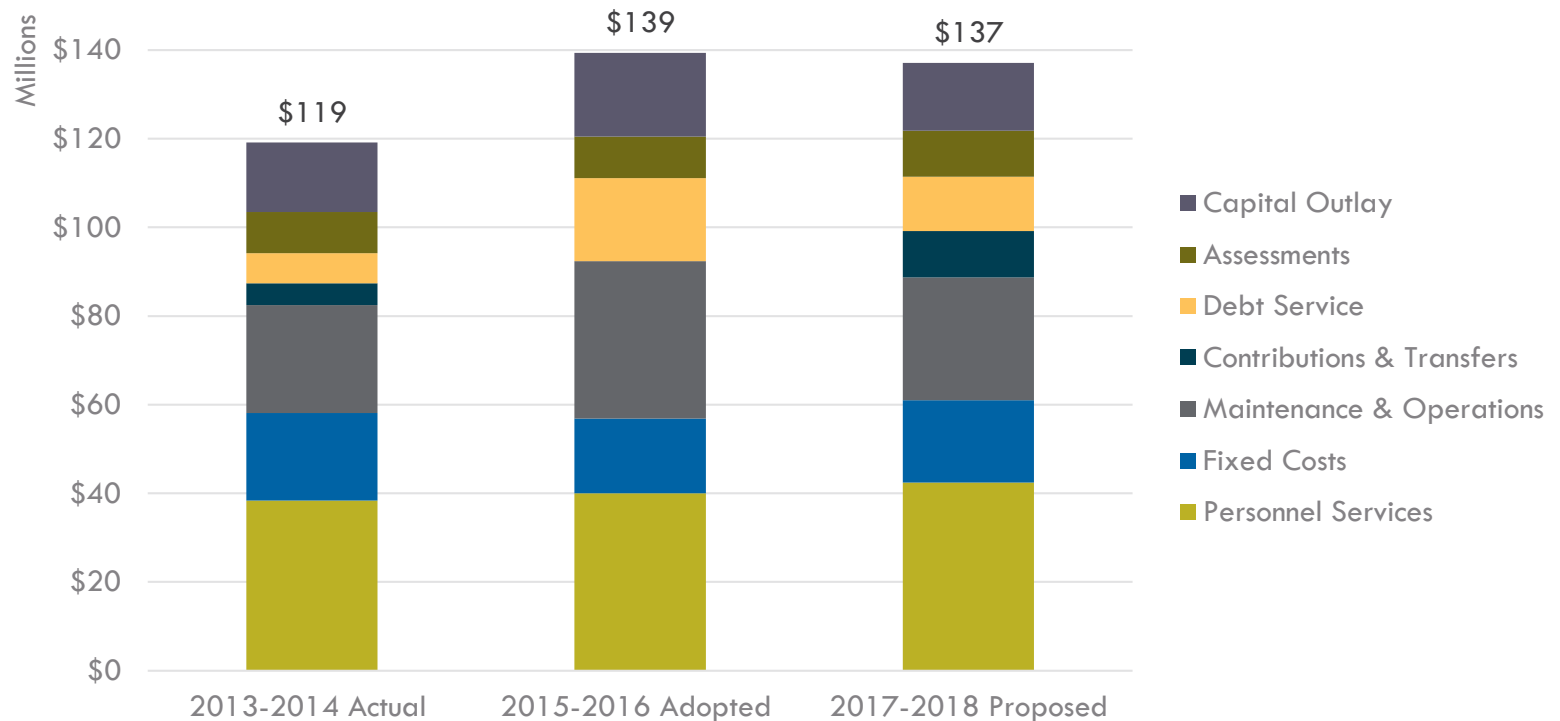


Contributions to Reserves are not included.

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Solid Waste

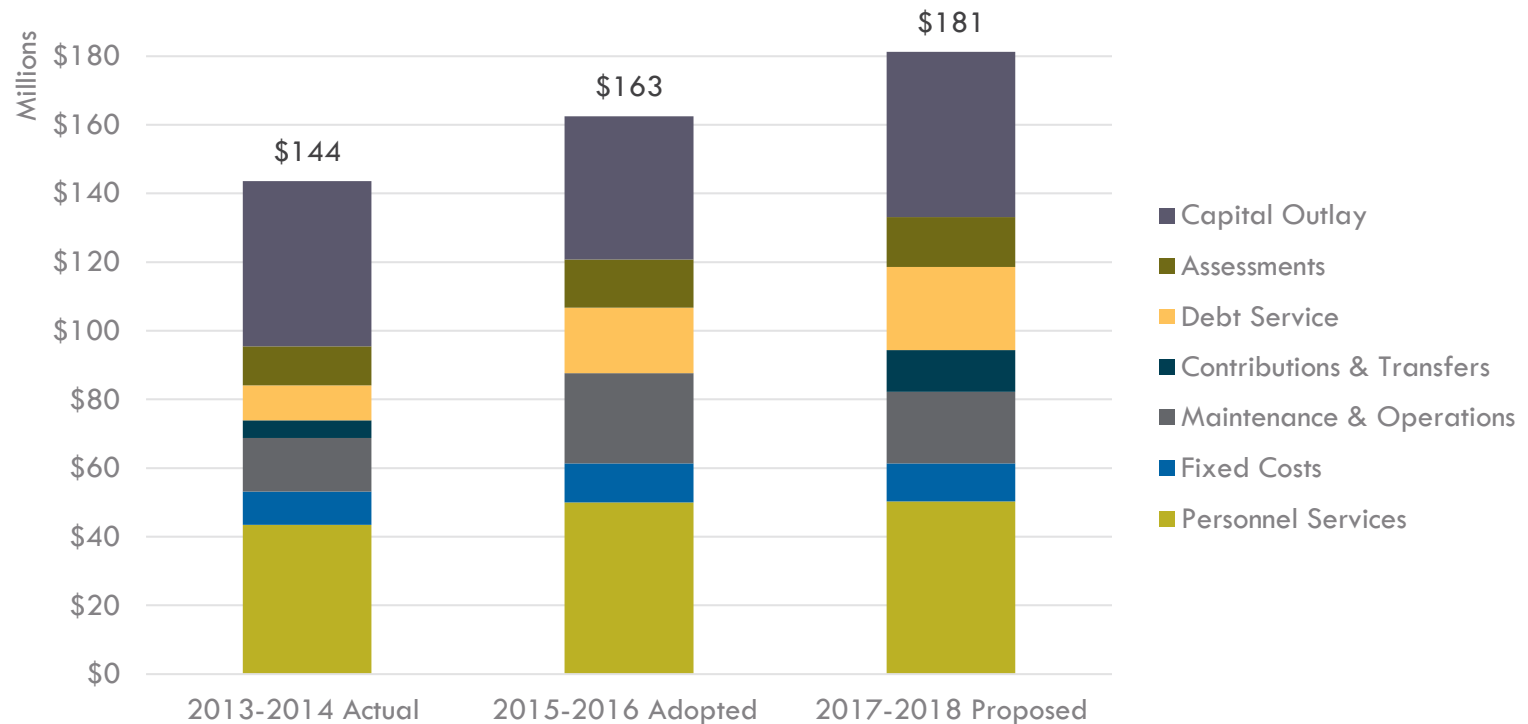


Graph shows total gross costs to the department.
Contributions to Reserves are not included

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Wastewater

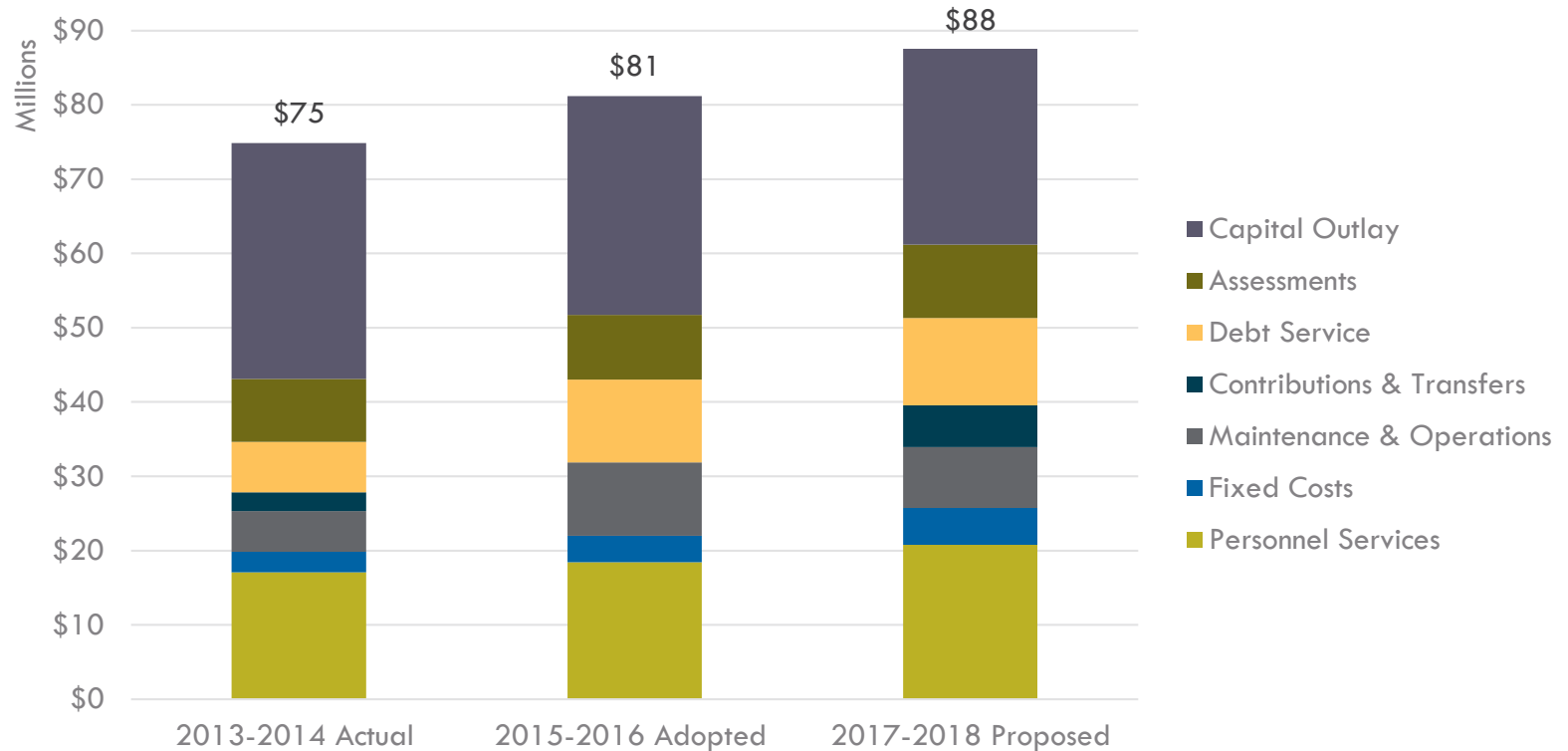


Contributions to Reserves are not included.

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Surface Water



Contributions to Reserves are not included.

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Debt Refinancing

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

Center for Urban Waters

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



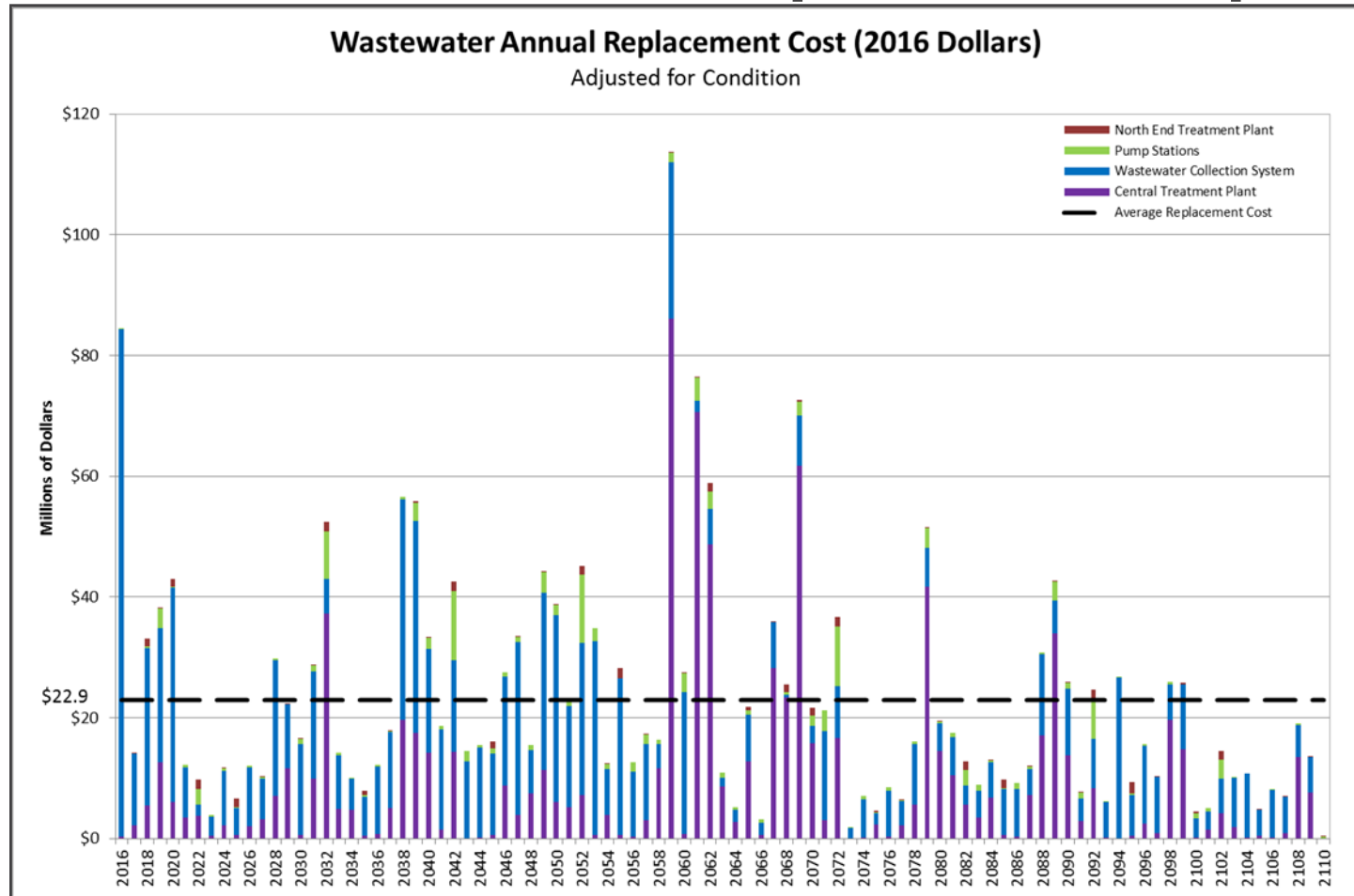
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2017-2018 Budget Proposals

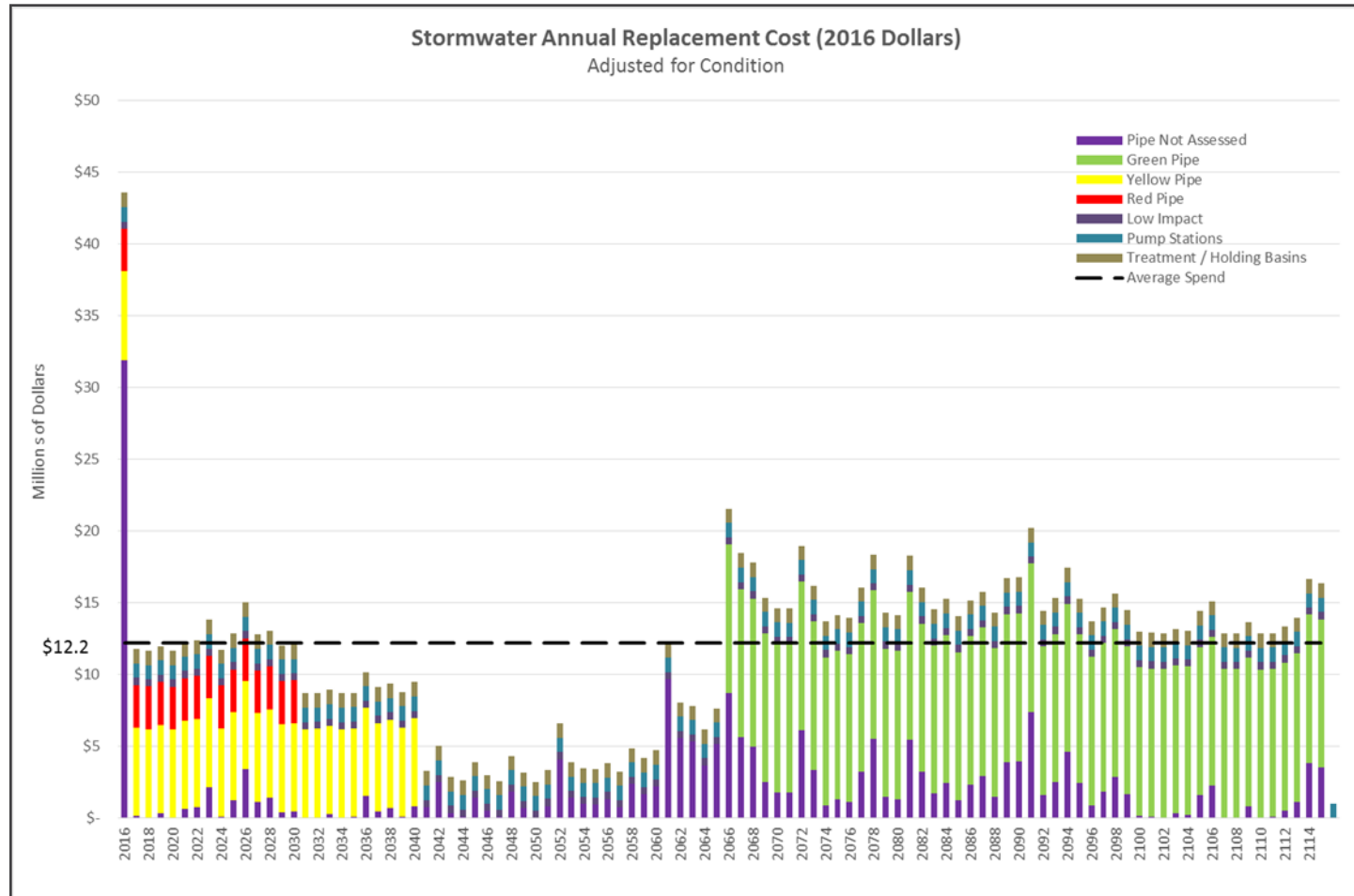
Wastewater 100 Year Replacement Capital



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Surface Water 100 Year Replacement Capital



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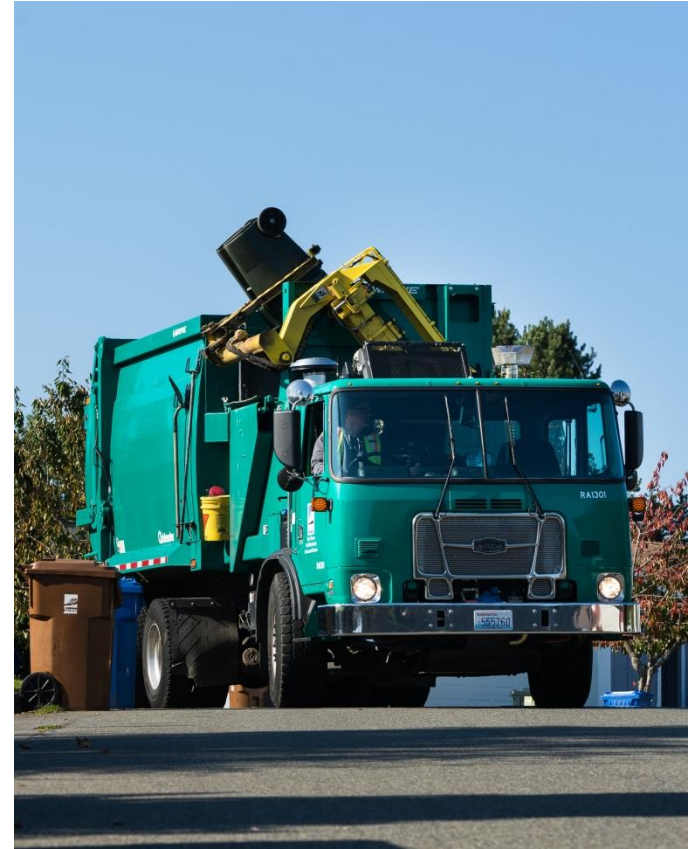
Reductions

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



Enhancements Summary

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



Enhancements Summary - OEPS

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

2017-2022 Revenue Plan

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

*Includes 0.5% dedicated revenue for Open Space

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Solid Waste - Deviation from 2015-2016 Projection

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

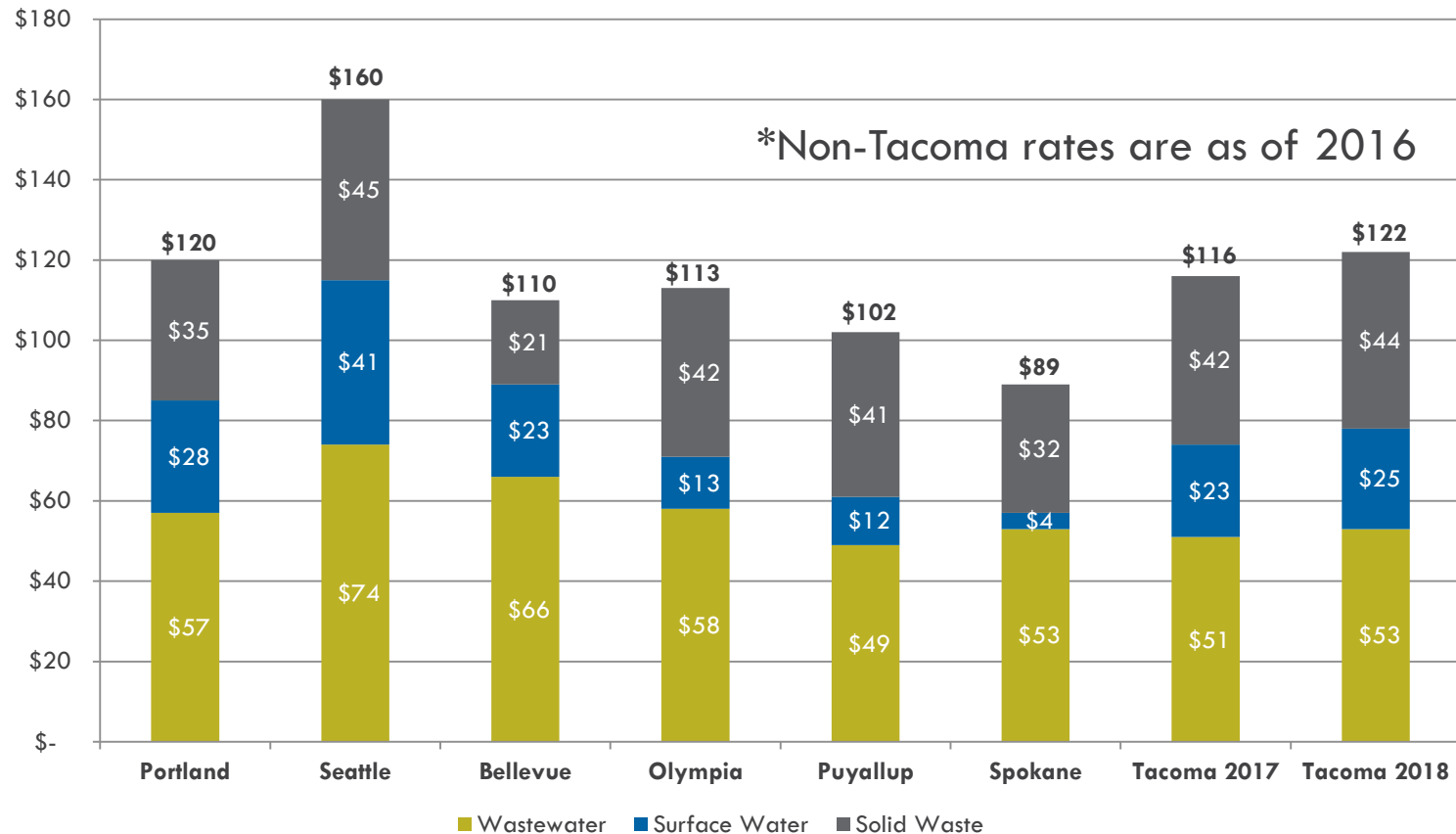
Wastewater - Deviation from 2015-2016 Projection

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

Surface Water - Deviation from 2015-2016 Projection

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

Residential Monthly Bill Comparison



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Typical Residential Customer

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

Payment Assistance Program

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

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

Affordability Calculations

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

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

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Equity in Budgeting

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

Summary

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

Next Steps

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



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