

# ENVIRONMENTAL SERVICES BUDGET 101

## BUDGET TRANSPARENCY & EDUCATION



# BACKGROUND

- Environmental Services Strategic Plan Budget Transparency & Education Initiative
  - June 2018 – present
  - Sought to improve the following metrics:
    - 55% of staff know very little or nothing about the budget.
    - 80% of staff never or inconsistently receive meaningful answers to their questions about the budget.
- Recommendations:
  - ES Budget 101 (mandatory introductory budget training for all employees)
    - Maintained 90%+ completion rate since training was instituted
  - ES Budget 201
  - Increased training, tools, and resources for management
  - Budget Employee Engagement Team (BEE Team)

# AGENDA

- Ratepayer Demographics of Tacoma
- Environmental Services Budget Overview
- Additional Learning Opportunities





# RATEPAYER DEMOGRAPHICS OF TACOMA

UNDERSTANDING ENVIRONMENTAL SERVICES CUSTOMERS



# WHY THIS IS IMPORTANT

- Our rates can significantly impact the lives of people in our community
- We need to ensure fairness and affordability to ratepayers
- We need to effectively manage the financial investment of the ratepayer



# CITY OF TACOMA VERSUS STATE & PIERCE COUNTY

Category	Tacoma	Pierce County	Washington
Median Household Income	64,457	76,438	77,006
% Below Poverty	14%	9%	10%
% of Students Receiving Free or Reduced Lunch	72% (TPS)	52%	47%
Unemployment Rate	6.1%	6.1%	5.2%
Households with 1 or less vehicles	43%	32%	36%
Gross Rent as a Percent of Household Income (35% or more)	43%	40.5%	40%
HS Equivalent or Higher	90%	92%	92%
Bachelors or Higher	30%	28%	37%

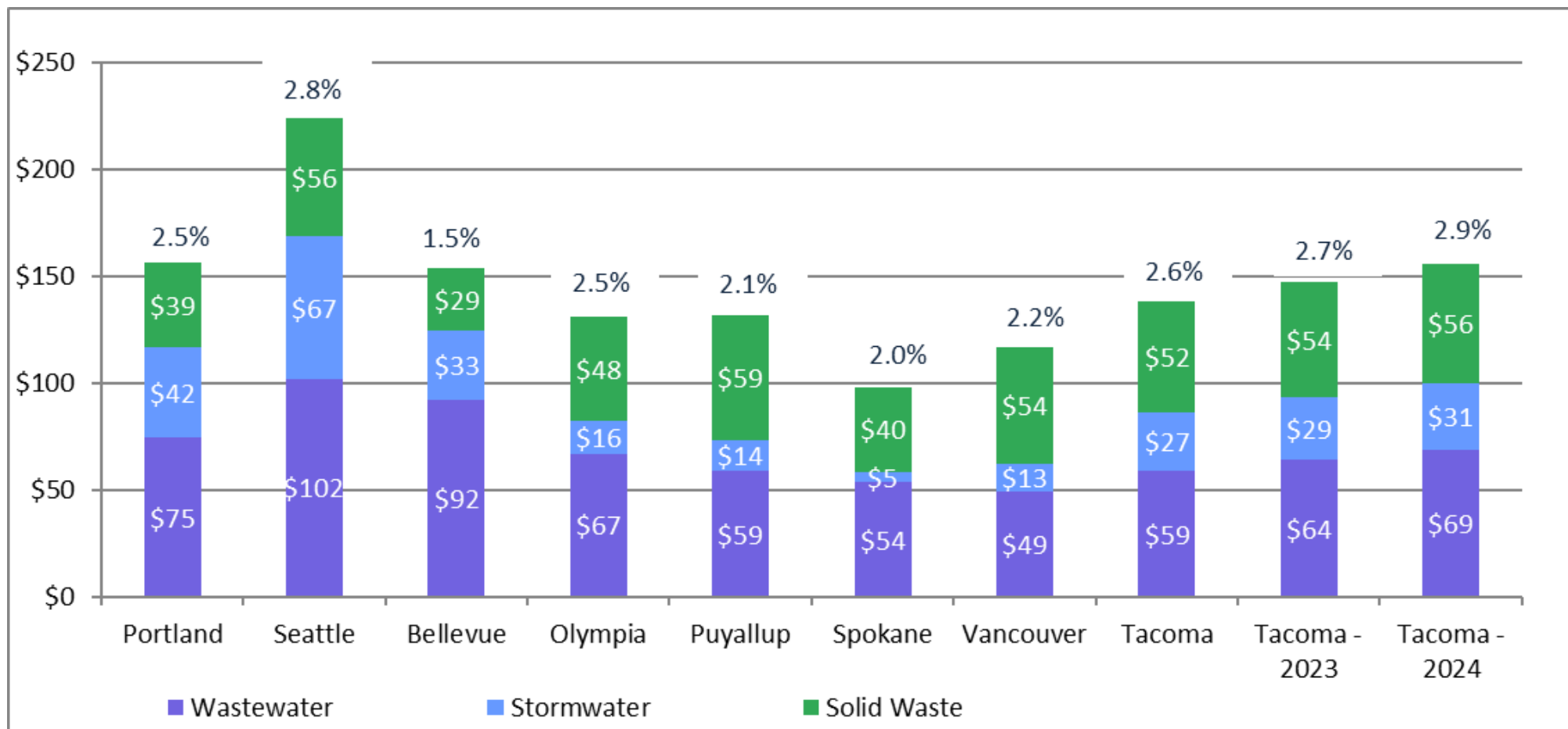
# ES EMPLOYEES COMPARED TO CUSTOMERS

## ES Median Employee Salary Compared to Tacoma Median Income

Median Household Income - Tacoma	64,457
Median ES Employee Salary	79,455

Nearly **60%** of Tacoma's Households make less money per year than the median Environmental Services employee

# 2022 RESIDENTIAL MONTHLY BILL COMPARISON



ES and TPU offer two low-income assistance programs, enhanced in 2021 and again in 2023



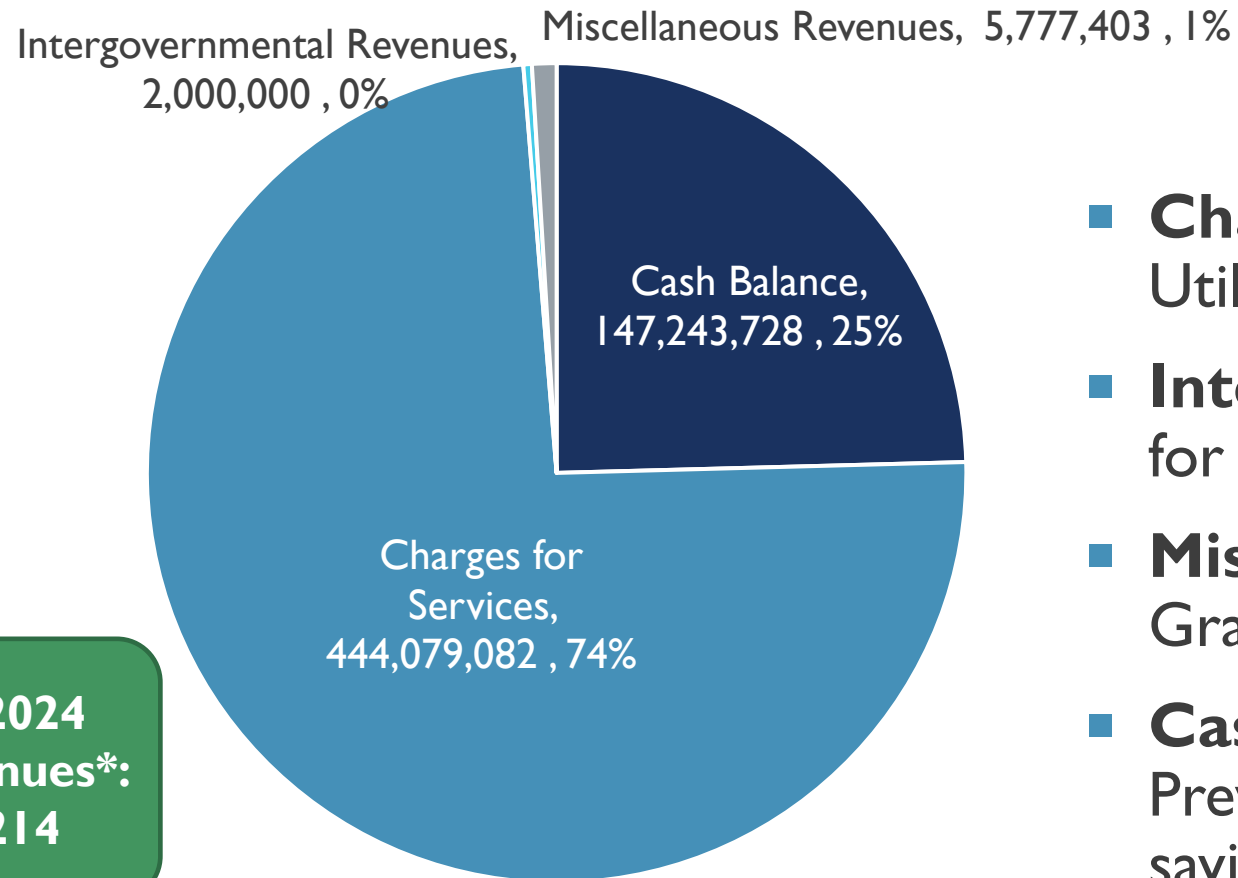


# ENVIRONMENTAL SERVICES BUDGET STRUCTURE

AN OVERVIEW



# DEPARTMENT FUNDING (REVENUE SOURCE)



- **Charges for Services –** Utility Bills/Fees
- **Intergov Revenues –** Ecology/EPA for SolW and Storm
- **Misc. Revenues –** Grants, Rent, Investment Earning
- **Cash Balance –** Previously sold bonds, carryover savings from delayed capital projects

**Total 2023-2024  
Planned Revenues\*:  
\$ 599,100,214**

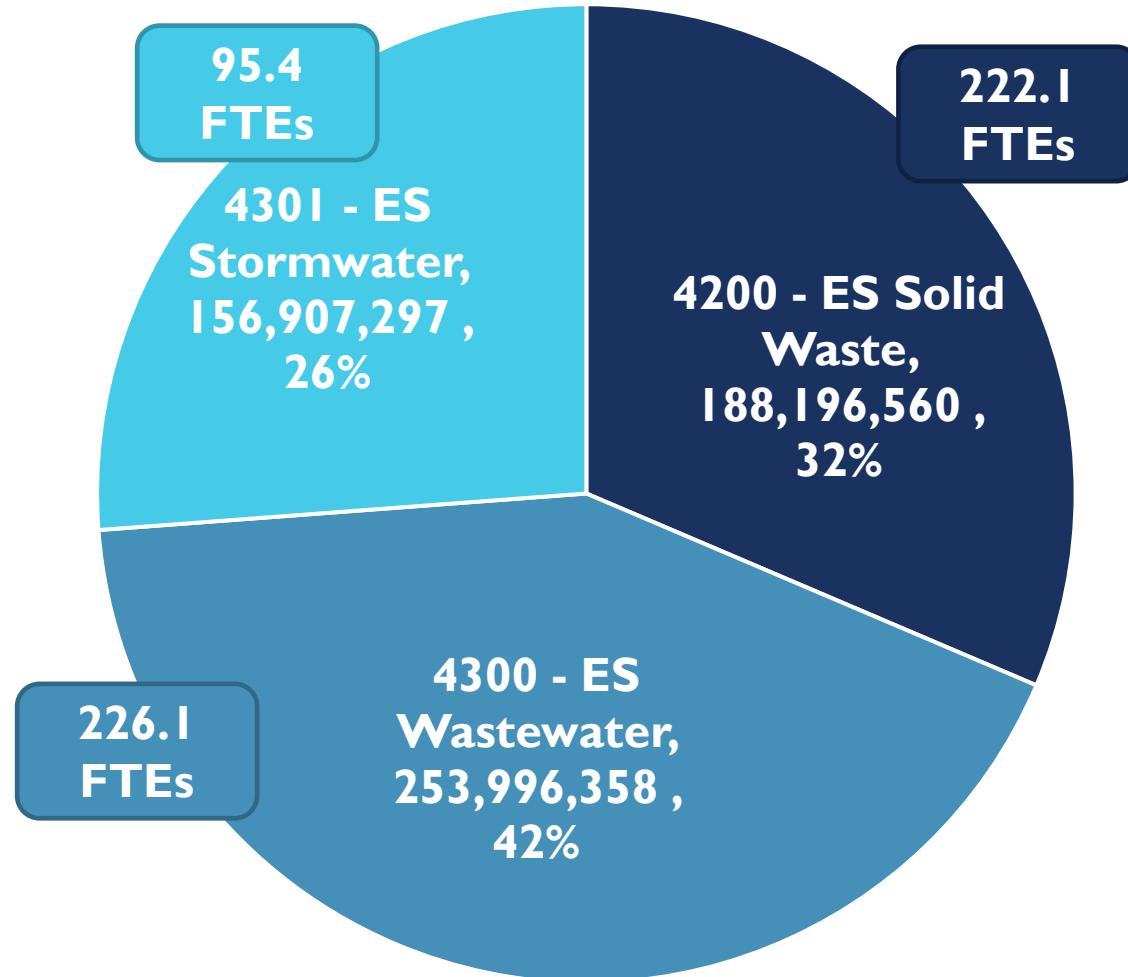
*\*Only includes utility funds*

# DEPARTMENT EXPENSES

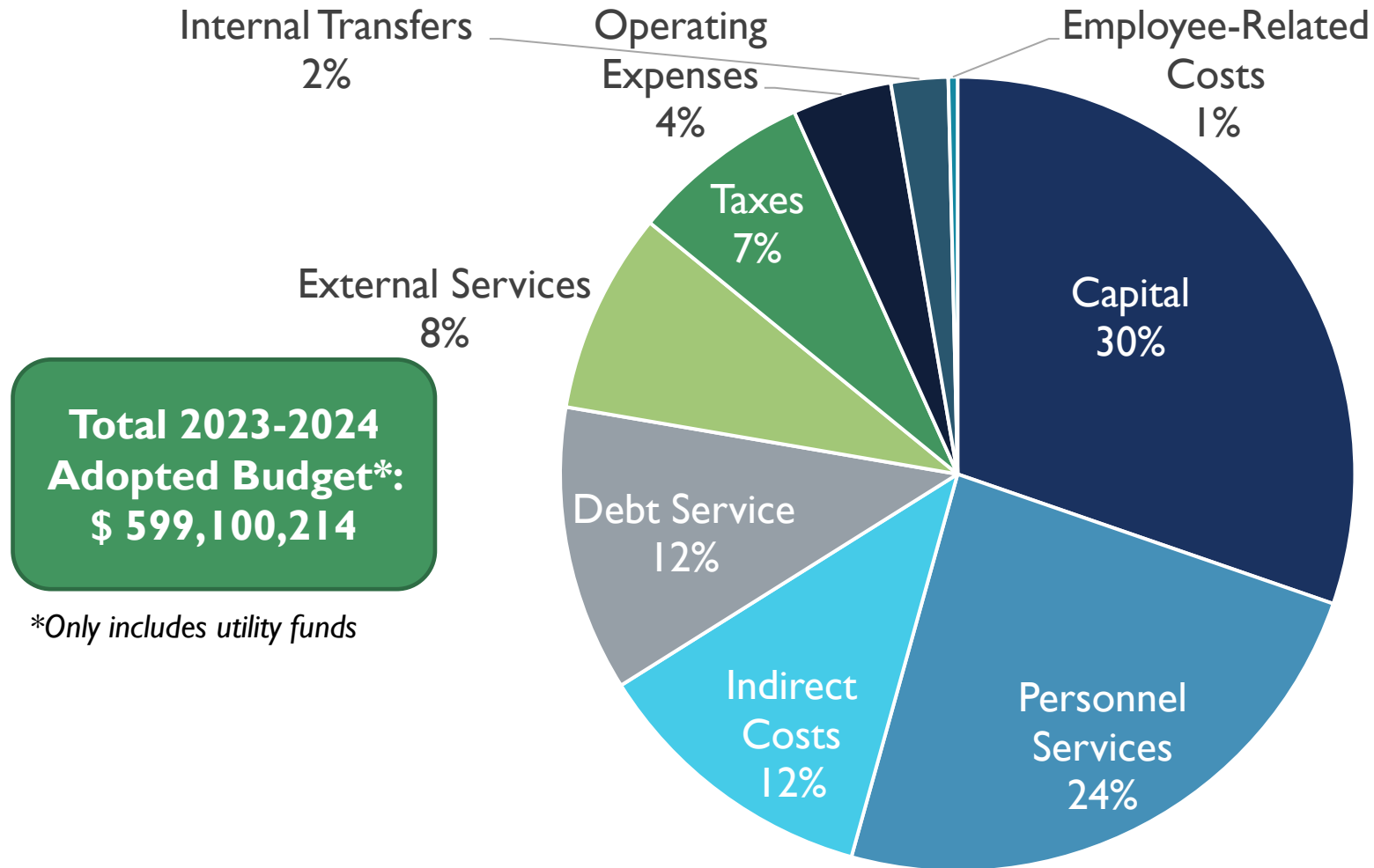
**Total 2021-2022 Adopted Budget:\***  
**\$ 599,100,214**

**Total FTEs: 543.6**

*\*Only includes utility funds (5 FTEs in OEPS)*



# DEPARTMENT EXPENSES – COST CATEGORY VIEW



- **Capital** – Capital Projects
- **Personnel Services** – Employee Salaries and Benefits
- **Indirect Costs** – IT/HR Services
- **Debt** – Bonds/Loans
- **External Services** – Contracts
- **Taxes** – Gross Earnings and State
- **Operating Expenses** – Supplies and Equipment
- **Internal Transfers** – SDG, NCS Abatement
- **Employee-Related Costs** – Training, Dues, Uniforms, etc..

# DEPARTMENT EXPENSES

Lowest level cost items are referred to by a variety of names:

- Cost Element (CE)
- GL Account (GL)
- Line Item

Department - Environmental Services	
Fund 4301 - Stormwater	
Cost Center 521700 - Open Space Program	
<b>Personnel Services</b>	<b>890,833</b>
5110100 - Salaries and Wages Expense - Regular	623,289
5110455 - Labor Adjustments-Planning Only	
5110800 - FICA Contributions	47,682
5110810 - Health & Welfare	133,526
5110811 - Dental Plan	9,791
5110820 - Insurance-Group Life	1,247
5110828 - Paid Family and Medical Leave ER	997
5110830 - Industrial Insurance	3,558
5110835 - State Unemployment Compensation	62
5110850 - Pension Contributions-TERS	70,681
<b>External Services</b>	<b>1,502,292</b>
5310100 - Professional Services Expense	294,292
5330100 - External Contract Services	1,208,000
<b>Operating Expenses</b>	<b>412,468</b>
5210500 - Landscape Equipment & Supplies	80,000
5220100 - Operating Supplies	20,000
5413000 - Postage Expense	200
5416030 - Surface Water Expense	49,252
5416040 - Water Utility Expense	16,196
5416050 - Electricity Expense	762
5416060 - Solid Waste/Garbage Expense	23,967
5417000 - Rent/Lease Buildings	
5417004 - Rent/Lease Others	10,000
5418000 - Licenses and Permits	3,000
5620000 - Intergovernmental Services	209,090
5641500 - Moveable Equipment Over \$5k	
<b>Indirect Costs</b>	<b>35,322</b>
<b>Taxes</b>	<b>7,000</b>
<b>Grand Total</b>	<b>2,847,915</b>



# ADDITIONAL LEARNING OPPORTUNITIES

BUDGET 201



# ENVIRONMENTAL SERVICES BUDGET 201

- Topics
  - ES Budget in Context within COT Total Budget
  - Budget Development
    - Rate Model Basics
    - Budget Process Overview
    - Capital Improvement Plan
  - Budget Monitoring
  - Special Topics
    - Labor
    - Debt

8:00 a.m. – 3:00 p.m.  
(lunch provided)

- **2023 Dates Coming Soon**



## **Did you hear the buzz?**

The ES BEE Team is seeking ideas to improve department operations

### **What's the BEE Team?**

The ES Budget Employee Engagement Team is a cross-departmental team to include employees in budget development.

The BEE Team will advocate for improvements in the department's next biennial budget.

### **How do I get involved?**

Share improvement ideas with your BEE Team representative or send them to [ThinkBig@cityoftacoma.org](mailto:ThinkBig@cityoftacoma.org)



# ENVIRONMENTAL SERVICES BUDGET POINTS OF CONTACT

Budget Office – Mac Acabado

Solid Waste – Hayley Falk, TBD

Wastewater – Dominic Greco, Mark Westland

Stormwater – Nancy Wright, Annemarie Martin

OEPS – Nancy Wright, Annemarie Martin

Christina Curran – [ccurran@cityoftacoma.org](mailto:ccurran@cityoftacoma.org)

# ENVIRONMENTAL SERVICES BUDGET 101

## BUDGET TRANSPARENCY & EDUCATION

