



# 2025-2026 Internal Service Budget Overview

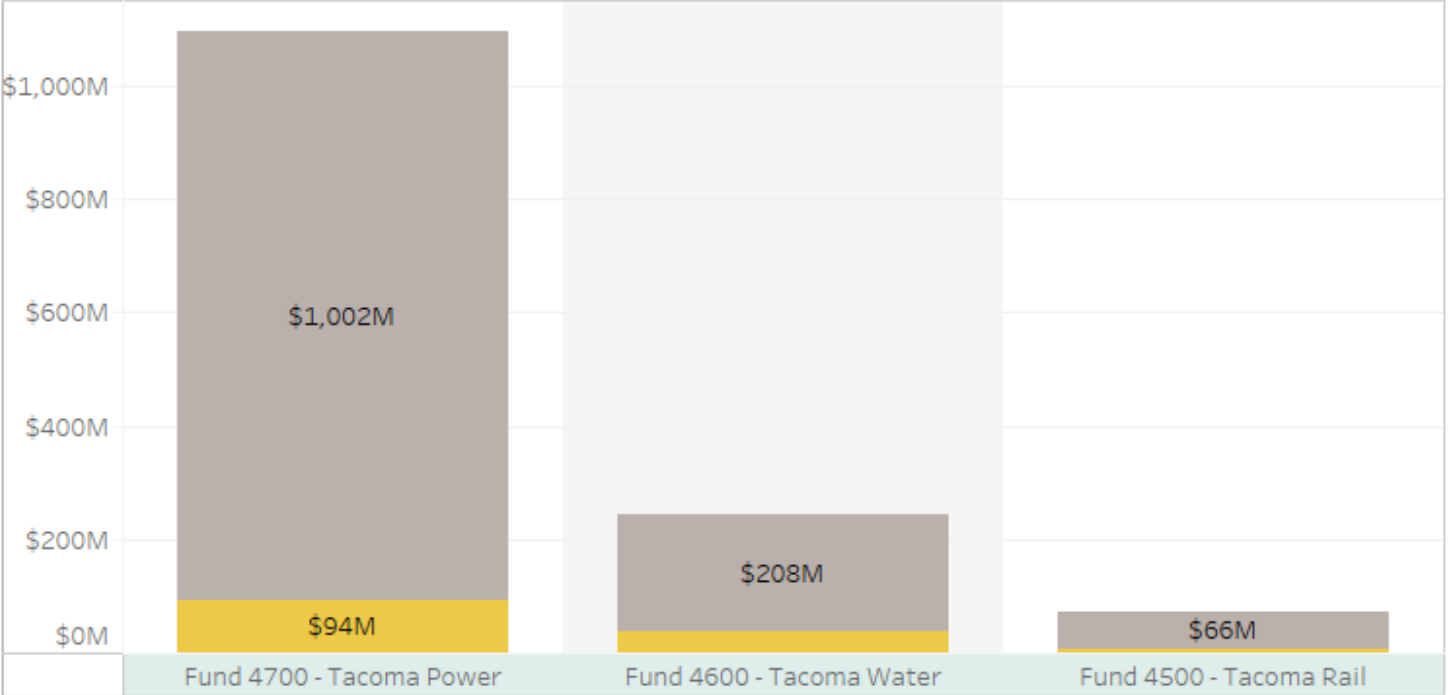
August 28, 2024

# Agenda

1. Estimated Internal Service Budgets for 2025-2026
  - Power
  - Water
  - Rail
2. Internal Service Planning in 2025-2026



# Estimated 2025-2026 Internal Service Baseline Budgets



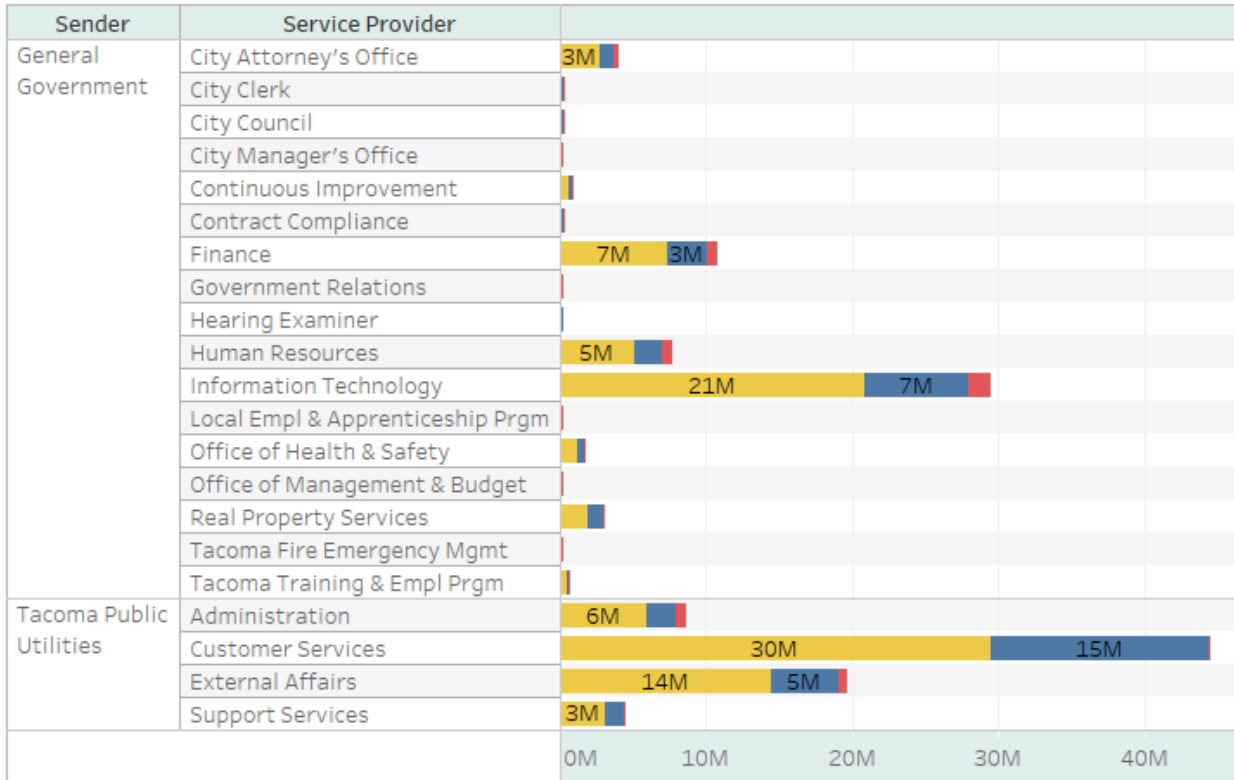
■ Internal Service Costs   
 ■ All Other Costs

Cost Type	Fund 4700 - Tacoma Power	Fund 4600 - Tacoma Water	Fund 4500 - Tacoma Rail	Grand Total
Internal Service Costs	\$93,929,256	\$37,657,783	\$5,325,437	\$136,912,476
All Other Costs	\$1,002,163,884	\$207,901,180	\$65,555,127	\$1,275,620,191
Grand Total	\$1,096,093,140	\$245,558,963	\$70,880,564	\$1,412,532,667

Financials above are based on preliminary budgets for the utilities and baseline for Internal Services. Methodologies and cost sharing will be finalized in the next two weeks after TPU finishes their budget entries.



# Estimated 2025-2026 Internal Service Baseline Budgets



■ Fund 4700 - Tacoma Power
 ■ Fund 4600 - Tacoma Water
 ■ Fund 4500 - Tacoma Rail

Sender	Service Provider	Fund 4700 - Tacoma Power	Fund 4600 - Tacoma Water	Fund 4500 - Tacoma Rail	Grand Total
General Government	City Attorney's Office	2,687,678	923,909	395,767	4,007,354
	City Clerk	158,243	56,573	20,889	235,705
	City Council	152,895	54,662	20,183	227,740
	City Manager's Office	117,745	42,124	15,543	175,412
	Continuous Improvement	576,884	206,245	76,153	859,283
	Contract Compliance	64,735	137,182	-	201,917
	Finance	7,351,382	2,664,276	815,305	10,830,963
	Government Relations	66,171	23,657	8,735	98,563
	Hearing Examiner	63,405	63,405		126,810
	Human Resources	5,140,504	1,837,768	678,585	7,656,856
	Information Technology	20,831,460	7,147,530	1,468,315	29,447,304
	Local Empl & Apprenticeship Prgm	30,077	46,875	28,434	105,386
	Office of Health & Safety	1,218,696	435,703	160,877	1,815,276
	Office of Management & Budget	69,005	24,671	9,109	102,785
Real Property Services	1,945,063	973,472	173,773	3,092,309	
Tacoma Fire Emergency Mgmt	111,240	39,770	14,684	165,695	
Tacoma Training & Empl Prgm	434,193	103,618	45,741	583,552	
Tacoma Public Utilities	Administration	5,926,685	2,037,862	714,902	8,679,449
	Customer Services	29,518,125	14,862,004	48,578	44,428,707
	External Affairs	14,406,697	4,644,324	585,679	19,636,699
	Support Services	3,058,374	1,332,152	44,184	4,434,710
<b>Grand Total</b>	<b>93,929,256</b>	<b>37,657,783</b>	<b>5,325,437</b>	<b>136,912,476</b>	

# Internal Services 2025-2026

## Major Issues

- Growth of expectations and needs
- Technology and Administrative Debt and Impact on Process Improvement
- Heavy workloads and high position turnover

## Risk Management

- **Public Disclosure Workflow Software (\$100k)**
- **Cybersecurity Investments (\$1.3M)**

## Infrastructure and System Regular Maintenance

- **SAP NOW (\$15.8M)**
  - Migration, Cloud, and Remediation
  - CRM replacement

## Process Improvements and Trust Building

**Expense Reductions through more accurate projections, efficiencies, and replacements (-\$2.7M)**



CITY OF  
**Tacoma**