



City of Tacoma Government Performance and Finance Committee Minutes

747 Market Street Tacoma, WA 98402

Conference Room 248

February 18, 2015

4:30 PM

Chair Joe Lonergan, Vice Chair Marty Campbell,
Mayor Marilyn Strickland, Robert Thoms, Anders Ibsen (alternate)

Call To Order

Chair Lonergan called the meeting to order at 4:34 p.m.

Present: 3 - Campbell, Lonergan and Thoms

Absent: 1 - Strickland

Approval of Minutes

1. 15-0147 Approval of the minutes of the meeting of February 4, 2015
MOTION: Council Member Campbell moved to approve the minutes of the meeting of February 4, 2015.

SECONDED BY: Council Member Thoms.

ACTION: Voice vote was taken and carried. The minutes were approved.

Ayes: 3 - Campbell, Lonergan and Thoms

Absent: 1 - Strickland

Briefing Items

2. 15-0148 TPU Power and Water Rates [Bill Gaines, TPU Director;
Ted Coates, Tacoma Power; Linda McCrea, Tacoma Water]

At approximately 4:35 p.m., Bill Gaines, Director of Utilities, reviewed the rate-setting process, policymaker and customer outreach timelines, and existing Tacoma Public Utilities (TPU) Power and Water low-income programs. Bill Fosbre, Chief Deputy City Attorney, reviewed the requirements of franchise agreements, including non-compete fees, franchise fee payment responsibilities, business costs, court cases, and the proposed franchise fees incorporation to all ratepayers.

Linda McCrea, Water Superintendent, reviewed the Water rate adjustment proposal, including the rate setting period, rate drivers, cost of service, public fire protection, average bill comparison with other municipalities, and rate adjustments. Ted Coates, Power Superintendent, reviewed the Power rate adjustment proposal, including rate drivers, cost-of-service, the proposed fixed charge increase, average bill comparison with other organizations, and residential billing.

Discussion ensued regarding the public notification process, public reception of rate increases, low-income program subscription rates, rate discounts and incentives, conservation efforts, program-user feedback, water usage, volumetric rate increases, fixed versus volumetric rates, having a fixed-cost for all generation types, projected trends, solar-powered homes, smart meters, and tracking time and day usage. Council Member Campbell requested the dissemination of information to customers be completed with more time before the rate change is in effect going forward.

MOTION: Council Member Campbell moved to forward the proposed TPU Power and Water rates to the full Council for consideration.

SECONDED BY: Council Member Thoms.

ACTION: Voice vote was taken and carried. The motion was adopted.

Ayes: 3 - Campbell, Lonergan and Thoms

Absent: 1 - Strickland

Topics for Upcoming Meetings

3. **15-0149** March 4 - Tacoma 24/7 End of 2014 Report

Christina Watts, City Manager's Office, stated the next meeting is March 4, 2015 with a presentation relating to the Tacoma 24/7 End of 2014 Report. She stated the meeting of March 18, 2015 will have presentations related to Tacoma Power's 2015 financing plan, and municipal clinics. Chair Lonergan stated Council Member Ibsen, Committee alternate, and he will not be able to attend the meeting of March 4, 2015.

Other Items of Interest

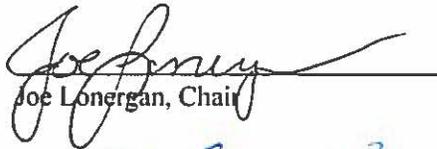
Andy Cherullo, Finance Director, reviewed the process of creating a timeline for paid leave ordinance implementation. Council Member Thoms requested information regarding the paid leave frequently asked questions by employees and employers.

Public Comment

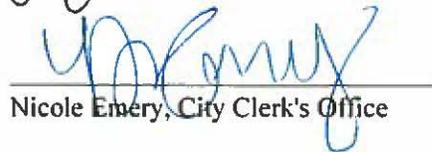
There was no public comment.

Adjournment

On proper motion, the meeting was adjourned at 5:45 p.m.



Joe Lonergan, Chair



Nicole Emery, City Clerk's Office