



## SUBSTITUTE ORDINANCE NO. 29078

1 BY REQUEST OF MAYOR WOODARDS AND COUNCIL MEMBERS  
2 BUSHNELL AND WALKER

3 AN ORDINANCE amending Titles 1 and 6 of the Municipal Code, relating to  
4 Administration and Personnel, and the Tax and License Code, by adding  
5 a new section 1.12.157, entitled "Compensation of Public Utility Board  
6 Members," and amending Sections 1.30.300, 6A.30.090, and 6B.20.030,  
7 to provide stipends for Public Utility Board Members, exclude them from  
8 the City's retirement program, and to exempt said compensation from  
9 business tax and license requirements, effective January 1, 2026.

10 WHEREAS Section 4.8 of the City Charter outlines the Public Utility Board  
11 ("PUB") to be composed of five members, appointed by the Mayor and confirmed  
12 by the City Council, and resolution outlines an interview process through the City  
13 Council Government Performance and Finance Committee, and

14 WHEREAS the duties of the PUB are outlined in the Tacoma Municipal  
15 Code ("TMC") 1.06.490 and the City Charter, and

16 WHEREAS the PUB holds significant responsibility in overseeing essential  
17 services that impact nearly every household and business in the region, including  
18 the management and strategic direction of Tacoma Power, Tacoma Water, and  
19 Tacoma Rail, and

20 WHEREAS board members are tasked with making complex, high-stakes  
21 decisions about multi-million-dollar budgets, infrastructure investments,  
22 environmental stewardship, rate structures, and long-term planning that directly  
23 affect the well-being and economic stability of the community, and

24 WHEREAS, due to the magnitude of these responsibilities, PUB members  
25 are expected to engage in high-level oversight involving technical, financial,  
26



1 environmental, and policy issues that significantly affect the quality of life and  
2 economic vitality of the region, and

3 WHEREAS this sets the PUB apart from other committees, boards, and  
4 commissions and underscores the need for board members with professional-level  
5 expertise and the capacity to manage complex strategic decisions for a multi-utility  
6 public agency, and

7  
8 WHEREAS this ordinance will establish an annual stipend of \$19,152 per  
9 year to the PUB members, provided as a monthly stipend of \$1,596, and

10  
11 WHEREAS the stipend amount is an average of reviewed boards and  
12 commissions that do similar work:

- 13 • Commissioners of public utility districts receive \$1,800 per month  
14 (Washington Public Utility District Association ("WAPUDA") is comparable to  
15 the PUB's body of work)  
16  
17 • Parks Tacoma commission members receive \$1,288 per month (Parks  
18 Tacoma is an example of a local stipend)  
19  
20 • Peninsula Light Company receives \$1,700 a month (Public Utility District  
21 serving the Gig Harbor area, with 32,000 electric customers, compared to our  
22 180,000),

23 and

24 WHEREAS recruitment efforts to bring in volunteers of different  
25 backgrounds to the PUB have daylighted barriers to volunteering, and  
26



1 WHEREAS people who would have been valuable, qualified applicants  
2 have informed Council Members they would be unable to take on a time-  
3 consuming role without additional support, and  
4

5 WHEREAS PUB members will not be part of the Tacoma Employees'  
6 Retirement System, and

7 WHEREAS the compensation PUB members receive from serving on the  
8 board will be exempt from local business and occupation taxes, and

9 WHEREAS PUB members will be exempt from local business license  
10 requirements; Now, Therefore,  
11

12 BE IT ORDAINED BY THE CITY OF TACOMA:

13 Section 1. That the City Council hereby adopts the Recitals of this  
14 Ordinance as its formal legislative findings.  
15

16 Section 2. That Title 1 of the Tacoma Municipal Code ("TMC"), relating  
17 to Administration and Personnel, is hereby adopted by adding a new section,  
18 1.12.157, entitled "Compensation of Public Utility Board Members", and  
19 amending Section 1.30.300, entitled "Exclusion from Membership," to provide  
20 stipends for Public Utility Board Members and exclude them from the City's  
21 retirement program, as set forth in the attached Exhibit "A," effective  
22 January 1, 2026.  
23

24 Section 3. That amendments to Chapters 6A.30 "Business and  
25 Occupation Tax" and 6B.10 "Annual Business License" of the TMC, are hereby  
26 adopted by 1) adding a new subsection "X" to 6A.30.090, entitled "Exemptions,"



to exempt compensation received for serving on a board, committee, or  
commission of a public agency, and 2) by adding a new subsection "I" to TMC  
6B.20.030, to exempt a person earning compensation for serving on a board,  
committee, or commission of a public agency from local business license  
requirements, as set forth in the attached Exhibit "A", effective January 1, 2026.

Section 4. That the City Clerk, in consultation with the City Attorney, is  
authorized to make necessary corrections to this ordinance, including, but not  
limited to, the correction of scrivener's/clerical errors, references, ordinance  
numbering, section/subsection numbers, and any references thereto.

Passed \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney



## **EXHIBIT "A"**

### **CHAPTER 1.12 COMPENSATION PLAN<sup>1</sup>**

\* \* \*

#### **SPECIAL COMPENSATION**

\* \* \*

#### **1.12.157 Compensation of Public Utility Board Members**

A. Each member of the Public Utility Board shall receive a stipend of \$1,596 per month in performance of services or duties on behalf of the City as outlined in Article IV of the City Charter.

B. Members may also be entitled to reimbursement for expenses incurred in carrying out their official duties, other than those incident to attending board meetings held within the City of Tacoma.

C. Public Utility Board members are not entitled to City provided health and disability benefits, vacation leave, sick or paid time off leave accrual, nor shall they be entitled to membership in the Tacoma Employee Retirement System by virtue of their position as a Public Utility Board member.

D. Public Utility Board members shall be afforded the same legal protection against personal liability, subject, however, to the same limitations and obligations, as are provided for regular officers and employees under the terms of Sections 1.12.920 through 1.12.950; provided, however, that the determination as to whether they are within the scope of their assigned and authorized duties as provided in Section 1.12.940 shall be made by the City Attorney.

\* \* \*

\* \* \*

#### **1.30.300 Exclusion from membership.**

The following employees shall not become members of the Retirement System:

A. Members of the Police Department who are entitled to the benefits of the Police Relief and Pension Fund or membership in the Law Enforcement Officers and Firefighters Retirement System as established by state law.

B. Members of the Fire Department who are entitled to the benefits of the Firemen's Relief and Pension Fund or membership in the Law Enforcement Officers and Firefighters Retirement System as established by state law and any temporarily employed or substitute firemen who have not passed a civil service examination for firemen as defined in said state law.



1 C. Any employee now or hereafter working for the Belt Line Division, who has been or who  
2 may hereafter be found to be entitled to the benefits of the Federal Railroad Retirement Act;  
3 provided, that the membership of any such employee in the Tacoma Employees' Retirement  
4 System shall be terminated upon the effective date of the ordinance codified in this section or  
5 upon the finding that such employee is entitled to the benefits of the Federal Railroad  
6 Retirement Act, whichever date is earlier.

7 D. Special project employees of the City, as defined by Section 1.24.187 of the Tacoma  
8 Municipal Code and who are hired for and working upon detached or independent construction  
9 projects of temporary duration, shall not become members of the Retirement System unless  
10 they shall elect at date of employment by notice of the Board in writing so to do said election to  
11 be binding and irrevocable; special project employees of the City who are working upon  
12 external government-financed projects or programs such as by grant-in-aid agreements with  
13 federal or state entities, shall become members unless the ordinance or resolution of the City  
14 creating the project authorizes a one-time, binding and irrevocable, written election at date of  
15 employment or excludes membership; provided, further, that a copy of the ordinance or  
16 resolution must be filed with the TERS office as provided in Section 1.30.310 herein.

17 E. Employees of the transit system who enter City service as new employees under the blanket  
18 agreement effective February 1, 1961, and who have attained the age of 57-1/2 years at the time  
19 of such entry, shall not become members of the Retirement System unless they shall elect by  
20 notice to the Board in writing to do so.

21 F. Employees under an emergency appointment, as defined by Tacoma Municipal Code Section  
22 1.24.113, and temporary student employees and occupational interns.

23 G. Any employee not having completed three months of continuous service, except those  
24 employees who are re-entering the system and have previously completed three months of  
25 continuous service. Provided, however, effective January 1, 2000, the foregoing shall no longer  
26 apply to individuals hired on or after said date, except that individuals hired in a temporary or  
emergency capacity or other classification which, at date of hire, is scheduled to be for a period  
of less than six months of continuous service shall not become members until completion of six  
months of continuous service.

H. Any part-time event or temporary event employee working not more than 40 hours in any  
biweekly payroll period who is an employee of the Tacoma Venues and Events Department.  
Such part-time event or temporary event employee shall not earn additional service credit based  
upon such employment.

I. Pro Tem Hearing Examiners and Pro Tem Judges and Commissioners of the Municipal  
Court.

J. Employees of the Tacoma Public Library regularly scheduled to work less than 20 hours per  
week or temporary/substitutes not having completed six months of nonintermittent,  
uninterrupted service, including, without limitation, those classified as temporary/substitutes,  
student employees, or pages.

K. Volunteers, including but not limited to members of boards, committees, or commissions  
who do not receive compensation as defined in this chapter.



1 L. Any persons providing services under written contract specifying that the persons are  
2 independent contractors, regardless of their status under Federal employment tax provisions of  
the Internal Revenue Code or their status under Washington's Industrial Insurance laws.

3 M. Any employee of a Member Public Agency that is a member of the Public Employees'  
4 Retirement System or any employee excluded pursuant to contracts existing as of the effective  
date of the ordinance codified in this section.

5 N. Any temporary employee of the Department of Public Utilities Light Division classified as  
6 Code 7 pursuant to Temporary Employment Memorandum between Local 483 IBEW and the  
City of Tacoma dated October 3, 1997.

7 O. Public Utility Board Members who receive a stipend pursuant to Section 1.12.157.

8 \* \* \*

9 **CHAPTER 6A.30**  
10 **BUSINESS AND OCCUPATION TAX**

11 \* \* \*

12 **6A.30.090 Exemptions.**

13 \* \* \*

14 X. Board of Directors.

15 This chapter shall not apply to compensation received for serving on a board, committee, or  
16 commission of a public agency.

17 **CHAPTER 6B**  
18 **ANNUAL BUSINESS LICENSE**

19 \* \* \*

20 **6B.20.030 Exemptions.**

21 \* \* \*

22 I. A person earning compensation for serving on a board, committee, or commission of a public  
23 agency.

24 \* \* \*