



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Council Member Anders Ibsen and Council Assistant Rebecca Boydston  
**COPY:** GPFC; Andy Cherullo, Finance Director (Committee Executive Liaison)  
**PRESENTER:** Gary Buchanan, HR Director and Bill Fosbre, City Attorney  
**SUBJECT:** Eliminating Certain Authority Related To The Granting Of Severance Payments  
**DATE:** February 20, 2018

**PRESENTATION TYPE:**  
Request for Ordinance

**SUMMARY:**

Policy discussion related to amending TMC 1.12.110H by eliminating the authority of the City Manager and Director of Utilities to grant severance benefits as a means of attracting and retaining public employees, and require the City Council to approve any proposed agreement that would grant severance benefits the Director of Utilities.

**BACKGROUND:**

In 2007, the City Council pursuant to Ord. 27636 (amending TMC 1.12.100H) authorized, among other forms of compensation and benefits, that the City Manager, Public Utility Board, and Director of Utilities shall each have discretion “to authorize the payment of severance benefits associated with an employment agreement in the event of termination without cause, in order to secure or retain key qualified personnel possessing specialized technical or professional skills for unrepresented positions up to the limits of their delegated contracting authority [maximum of \$200,000] in the case of the City Manager and Director of Utilities, and up to an amount corresponding to one year of salary in the case of the...Public Utility Board.” Since 2007, only three individuals have been provided an employment agreement authorizing the payment of severance benefits. (*Bill Gaines, former Power Superintendent agreement term 2007, then as former Director of Utilities 2008-2017; Chris Robinson, Power Superintendent agreement term 02/06/2016 – 02/06/2021; and Scott Dewhirst, Water Superintendent, agreement valid 10/02/2017-10/02/2022.*)

In 2014, the voters amended the Tacoma City Charter section 4.18, which now requires the Public Utility Board to appoint and then reappoint the position of Director of Public Utilities, subject to City Council confirmation, every two years.

**ISSUE:**

The City Manager has not used this benefit tool, the Board once, and the Director of Utilities three times. Providing severance benefits to non-executives is unnecessary to attract and retain qualified public employees, and is arguably an inappropriate use of City taxes or ratepayer revenues. In addition, the severance ordinance has not been updated to reflect the City Council’s new role related to confirming the appointment of the Director of Utilities.

**ALTERNATIVES:**

N/A



**FISCAL IMPACT:**

This will potentially have a positive fiscal impact since severance benefits we no longer be allowed for non-executives.

**RECOMMENDATION:**

Amend TMC 1.12.110H by eliminating the authority of the City Manager and Director of Utilities to grant severance benefits as a means of attracting and retaining public employees, and require the City Council to approve any proposed agreement that would grant severance benefits the Director of Utilities