



City of Tacoma

City Council Study Session Minutes

747 Market Street, Tacoma, WA 98402, Council Chambers
Webinar Link: www.zoom.us/j/89496171192 Passcode: 896569

December 05, 2023

12:00 PM

JOINT MEETING WITH THE PUBLIC UTILITY BOARD

Call to Order

Deputy Mayor Walker called the joint study session to order at 12:00 p.m.

Roll Call

Present: 7 - Blocker, Bushnell, Hines, Rumbaugh, Ushka, Walker and Mayor Woodards

Absent: 2 - Daniels and Diaz

Public Utility Board Members

Present: 4 - Claus-McGahan, Gallagher, O'Loughlin, and Watson

Absent: 1 - Bridges

Council Member Daniels arrived at 12:11 p.m.

Mayor Woodards and Council Member Ushka participated virtually.

Joint City Council / Tacoma Public Utility Board Briefing Items

1. [23-1174](#) Tacoma Public Utilities Ten-Year Management Review Study Update

At approximately 12:01 p.m., Andy Cherullo, Director, Finance, provided opening remarks regarding the Tacoma Public Utilities (TPU) Ten-Year Management Review study, including the request for proposal process and selection of Baker Tilly U.S., LLP (Baker Tilly); and introduced Rory Vale, Consulting Manager, Baker Tilly. Vale presented the study overview; and an introduction to the project team and firm, noting appreciation for staff and steering committee members. Caitlin Humrickhouse, Managing Director, Baker Tilly, continued by providing an overview of Baker Tilly's public sector experience; an executive summary of the Ten-Year Management Review; the study approach, timeline, and data reviewed; and comparables, noting how they were selected, and comparable organizations for TPU organization-wide, Tacoma Power, Tacoma Water, and Tacoma Rail. She continued by outlining

the report suggestions for TPU organization-wide, noting the format includes observations, suggestions, timelines, and priority levels for each suggestion.

Council Member Daniels arrived here, at 12:11 p.m.

Together, Humrickhouse and Andy Belknap, Managing Director, Baker Tilly, detailed the study suggestions for TPU organization-wide, including to finalize an organization-wide strategic plan; continue developing diversity, equity, and inclusion initiatives and programming; begin the process of succession planning; update onboarding procedures and communication to staff; continue progress on potential upgrades to the information technology infrastructure; communicate safety reporting structures to ensure staff are aligned; develop comprehensive project management processes and procedures; review service level agreements to enhance operational effectiveness; and leverage benchmarking results for organization-wide change.

Belknap then outlined the study suggestions for Tacoma Power, including to maintain and improve service reliability and operational safety; mitigate from external power industry risks; and maintain and improve affordability and financial indicators, noting management responses to the Baker Tilly analysis. He continued with study suggestion for Tacoma Water, including to improve the safety culture; and for Tacoma Rail, including to continue making railroad safety improvements aligned with the Federal Railroad Administration, and to continue researching ways to evolve TPU's locomotive servicing offerings.

Belknap concluded by discussing the analysis results and suggestions for improvement, including business and retail customer surveys; financial health and American Public Power Association ratios, noting loss of WestRock Paper revenues; and the management review conclusion. Jackie Flowers, Director, TPU, provided closing remarks, including topics for future presentations.

Discussion ensued regarding safety, noting staff culture, reporting rates, and different definitions of safety; time-to-hire trends and perceptions; appreciation for everyone involved in the process, noting challenges with the previous Ten-Year Review; community surveys, noting industry standards, approaches, and ensuring equity; board representation for customers outside the City limits; the City Charter review process and requirements; employee retention; management responses to the recommendations; utility rates; levels of service; citywide shared services; previous management review processes; improved communications and management between General Government (GG) and TPU; and whether TPU is competitive compared with other utilities.

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The joint study session concluded at 1:01 p.m.

The regular study session convened at 1:01 p.m.

City Council Briefing Items

- 2. [23-1175](#) Final Review of the State and Federal Legislative Priorities

At approximately 1:02 p.m., Sonja Hallum, Chief Government Affairs Officer, City Manager’s Office (CMO), provided opening remarks regarding the state and federal legislative priorities, which are on tonight’s meeting agenda for City Council consideration as Resolution No. 41310. She further presented updates to the GG State legislative policy positions document, including revised language related to state funding for local climate efforts, capital improvements, rights-of-way, and litter and graffiti. She continued by reviewing changes to the GG 2024 State legislative policy priorities document, including revised language on Fishing Wars Memorial Bridge, new language on capital funding for People’s Community Center and a new community center in the South End, and revised language on the Climate Commitment Act (CCA) to better prepare the City to take advantage of future funding resources. Rosa McLeod, Senior Government Affairs Advisor, CMO, presented an update to the GG 2024 Federal Legislative Policy Priorities document, to add language in support of making daylight savings time permanent.

Discussion ensued throughout regarding how the CCA project list was developed; daylight savings impacts, noting health and safety; and Fishing Wars Memorial Bridge, noting cleanup requirements, impacts, and urgency for the bridge to be replace.

- 3. [23-1176](#) Equity in Contracting Program Regulations and Related Code Revisions

At approximately 1:17 p.m., Kacee Woods, Equity in Contracting (EIC) and Workforce Programs Manager, Community and Economic Development (CED), introduced Malika Godo, EIC Compliance Auditor, CED, and presented the EIC Program regulations and related code revisions, including an overview and 2023 program outcomes, noting the number of awards to certified firms from 2020 to 2023, and demographic data. Godo continued by providing an overview of existing regulations in Tacoma Municipal Code (TMC) Chapter 1.07, the 2022 EIC regulations program; and key elements, noting how recommendations were gathered, and suggested changes to EIC non-compliance penalties. Woods concluded by outlining the proposed TMC revisions, including categories, noting outdated elements and program review;

and next steps, noting implementation of the Disparity Study, development of a program performance dashboard, CED adoption of new program regulations, and City Council passage of TMC revisions.

Discussion ensued regarding EIC Advisory Committee membership, appointments, and possible changes; timing and accountability for review of programs; the process to broaden EIC's scope beyond Public Works projects, noting timing and setting priorities; appreciation for staff and Council leadership to reach this milestone; context and history of the program; exceptions and waivers; non-compliance and accountability; feedback from small businesses; measuring success; timeline for code changes; scope of the City's Disparity Study; available data; making the EIC program more accessible by dividing contracts into smaller buckets; sharing the City's work with the Tacoma Anchor Network and other organizations; and the process for businesses to get certified.

Other Items of Interest

4. [23-1177](#) Council Action Memorandum - 2024 Proposed Cancelled Study Sessions and Council Meetings

Mayor Woodards presented a proposed resolution to cancel seven regular City Council meetings in 2024: Tuesday, January 2; Tuesday, January 16; Tuesday, March 12; Tuesday, May 28; Tuesday, September 3; Tuesday, December 24; and Tuesday, December 31.

Discussion ensued regarding appreciation for thoughtful review of the calendar.

5. [23-1178](#) Council Consideration Request - Support for the Passage of Proposition No. 1 Submitted by Tacoma Public Schools on the February 13, 2024, Ballot

Mayor Woodards presented a Council Consideration Request for a resolution on the December 12, 2023, meeting agenda, expressing support for the passage of Proposition No. 1 submitted by Tacoma School District No. 10, at the February 13, 2024, Special Election, to fund neighborhood school improvements and safety upgrades, noting the proposed improvements, expanding learning opportunities, and how it benefits the community.

Discussion ensued regarding placement of the proposed resolution on the December 12, 2023, meeting agenda.

6. [23-1182](#) Council Action Memorandum - Amending Section 6A.30 of the Municipal Code Relating to Business and Occupation Tax

Council Member Blocker presented a proposed ordinance to amend TMC Chapter 6A.30 to create a new Work Opportunity tax credit in the amount of \$1,000, and further outlined unemployment rates for persons with disabilities; the importance of employment; the goals of the proposed legislation; and outreach. He further expressed appreciation to the Government Performance and Finance Committee for their support, and stated the ordinance is scheduled to come forward for first reading on the December 12, 2023, meeting agenda.

Discussion ensued regarding challenges for those seeking jobs, appreciation for the proposal, and the separate Green Jobs tax credit.

7. [23-1179](#) Motion to Amend Ordinance No. 28922 Relating to Animal Control and Public Safety

Council Member Ushka stated she intends to make a motion to consider a Substitute Ordinance No. 28922, relating to animal control and public safety, to add language creating an exception for poultry that are already kept in accordance with TMC Section 5.30.010.

Discussion ensued regarding support for the amendment.

Committee Reports

There were no committee reports given.

Agenda Review and City Manager's Weekly Report

8. [23-1180](#) Weekly Report to the Mayor and City Council, November 30, 2023

City Manager Elizabeth Pauli stated there is one ceremonial on tonight's meeting agenda, for presentation of the Governor's Smart City Awards; and two changes are expected to tonight's agenda, a motion to consider a Substitute Ordinance No. 28922, related to animal noise; and a motion to consider a Substitute Ordinance No. 28625, related to pay and compensation. She concluded by providing updates from two public information sessions held on December 4, 2023, related to the City's Rental Housing Code and Landlord Fairness Code Initiative, noting that the Landlord Fairness Code will go into effect on December 8, 2023.

Discussion ensued regarding a request to upload the video recording from the information session to the City website.

Executive Session - Potential Litigation

MOTION: Council Member Blocker moved to convene to executive session pursuant to RCW 42.30.110(1)(i)(i) and (ii) to discuss pending and potential litigation not to exceed 30 minutes.

SECONDED BY: Council Member Hines.

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

Ayes: 8 - Blocker, Bushnell, Daniels, Hines, Rumbaugh, Ushka, Walker and Mayor Woodards

Absent: 1 - Diaz

The City Council convened to executive session at 2:17 p.m.
Interim City Attorney Chris Bacha was present.

The executive session concluded, and the study session reconvened, at 2:47 p.m.

Adjournment

There being no further business, the study session was adjourned at 2:47 p.m.

Victoria R. Woodards, Mayor

Nicole Emery, City Clerk