



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street, Tacoma, WA 98402, Conference Room 248
Dial: 253-215-8782 Meeting ID: 827 5299 8740
Webinar Link: www.zoom.us/j/82752998740 Passcode: 614650

September 20, 2022

10:00 AM

Chair John Hines, Vice Chair Kristina Walker, Joe Bushnell,
Sarah Rumbaugh, Kiara Daniels (alternate)
Christine Cooley (ex officio)

Call To Order

Chair Hines called the meeting to order at 10:01 a.m.

Roll Call

Present: 4 - Bushnell, Hines, Rumbaugh and Walker

Briefing Items

1. [22-1032](#) Tacoma Public Utilities Preliminary Budget and Rates Update
[Jim Sant, Deputy Director, Tacoma Public Utilities;
Jodi Collins, Assistant Division Manager, Tacoma Water; Chris Robinson,
Superintendent, Tacoma Power; Daniel McCabe, Chief Information/Financial Officer,
Tacoma Rail]

At approximately 10:02 a.m., Jim Sant, Deputy Director, Tacoma Public Utilities (TPU), provided opening remarks and introduced Jodi Collins, Assistant Division Manager, Tacoma Water; Chris Robinson, Superintendent, Tacoma Power; and Daniel McCabe, Chief Information and Financial Officer, Tacoma Rail. Sant further presented the TPU preliminary budget and rates update, including an overview; the schedule of topical briefings provided to the Government Performance and Finance (GPF) Committee in 2022; topics for today's presentation; and residential customer assistance, noting past and proposed enhancements, and its role in rate mitigation.

Collins presented the Tacoma Water budget and rates update, including challenges and risks; drivers, impacts, cost savings, and mitigation; expenditures and revenue; funding for expenditure increases; long-term planning and financial forecasting, noting system average rates, debt service coverage, and liquidity; proposed rate adjustments; enhanced customer assistance through Bill Credit Assistance Plan (BCAP) Plus; and the

competitiveness of Tacoma Water retail rates.

Discussion ensued throughout regarding increased costs of internal service provider assessments, debt service coverage, large volume customer rates, BCAP, rate adjustments, and next steps to finalize rates.

Robinson introduced Ying Hall, Rates, Planning, and Analysis Manager, Tacoma Power, and presented the Tacoma Power budget and rates update, including challenges and risks; mitigation; the proposed budget; a proposed total of the 2023-2024 budget expenditures and revenues; the importance of setting adequate rates and building reserves necessary to avoid high future rates; proposed system-average rate increases in 2023 and 2024, noting adjustments by customer class; average monthly utility bill for residential customers; mitigation by the expanded BCAP program; and the competitiveness of Tacoma Power rates.

Discussion ensued regarding the wholesale market, noting how revenues are distributed, options to pay debt service off early, and comparisons to previous biennium revenues.

McCabe presented the Tacoma Rail budget and rates update, including budget and risk mitigation; proposed revenues and expenditures; proposed rate impacts, noting demurrage tariffs, line haul rates, and miscellaneous switching tariff rates; and tariff rate comparisons.

Sant concluded by reviewing next steps for Public Utility Board and City Council consideration.

Discussion ensued regarding Tacoma Rail revenues, residential customers, and whether the finalized rates need to return to the GPF Committee or be taken directly to the full City Council if there are no changes.

2. [22-1033](#)

Accessory Dwelling Unit Accelerator

[Stephen Antupit, Senior Planner, Planning and Development Services]

At approximately 11:05 a.m., Stephen Antupit, Senior Planner, Planning and Development Services (PDS), presented on encouraging and incentivizing the creation of Accessory Dwelling Units (ADUs), including an agenda; and a review of ADU work at GPF Committee, noting meetings and topics to date, and ongoing coordination with Infrastructure, Planning, and Sustainability (IPS) Committee. He concluded by reviewing options for GPF Committee discussion, including building capacity to support detached ADUs at PDS, noting alignment with other cities in the region; utility and infrastructure resources and additional support; support for resource-constrained homeowners; and next steps.

Discussion ensued throughout regarding the process and GPF Committee's role, comparisons to other cities, staffing and support, tracking whether developers or homeowners pull permits, engineering licensing agreements, incentives for green building code compliance, anti-displacement efforts, implications for short- and long-term rentals, supporting low-income households, fee waivers, case management, delays related to scheduling installation of utilities, permit timeline issues and tracking, pre-approved ADU plans, building trust, and housing needs.

3. [22-1034](#) Recycle Reset Update
[Lewis T. Griffith, P.E., Division Manager; Preston Peck, Management Analyst II, Environmental Services Department]

At approximately 11:36 a.m., Lewis Griffith, Solid Waste Management Division Manager, Environmental Services (ES), presented the Recycle Reset update, including background, 2021 recycling markets, market trends, and amounts of glass collected. Preston Peck, Management Analyst II, ES, reviewed the project achievements, the Recycle Reset ambassador program, and future opportunities. Lewis concluded by outlining the timeline on project completion and next steps.

Discussion ensued throughout regarding reasons for cost changes in 2021; Washington State laws; glass recycling rates at drop-off sites compared to at homes; contracting recycling services, noting the City's current contract and other vendors; options for the City to set up its own material recovery facility; encouraging changes in manufacturing and customer behavior; and the City's yard food waste program.

Topics for Upcoming Meetings

4. [22-1035](#) October 4, 2022 - Tacoma Public Utilities Final Rates Proposal prior to Council Consideration; Creation of Repair and Replacement Fund; Amendments to Tacoma Municipal Code 6B.220 - For-Hire Regulations; Accessory Dwelling Units

October 18, 2022 - Accessory Dwelling Units; Review Senate Bill 5755

Claire Goodwin, Committee Liaison, stated that the October 4, 2022, meeting will include updates on the creation of a repair and replacement fund, amendments to Tacoma Municipal Code 6B.220, and ADUs, and that the TPU final rates proposal topic may not be included based on today's discussion; and the October 18, 2022, meeting will include continued discussion on ADUs, a review of Washington Senate Bill 5755, and an update on the

Multi-Family Property Tax Exemption Program.

Other Items of Interest

There were no other items of interest.

Public Comment

There was no Public Comment.

Adjournment

There being no further business, the meeting adjourned at 11:55 a.m.



John Hines, Chair



for

Kiaira Thomas, City Clerk's Office