



City of Tacoma City Council Study Session Minutes

747 Market Street, Tacoma WA 98402

Council Chambers

October 14, 2014

12:00 PM

JOINT MEETING WITH THE PUBLIC UTILITY BOARD

Call to Order

Deputy Mayor Woodards called the joint meeting to order at 12:07 p.m.

Present: 8 - Boe, Campbell, Ibsen, Lonergan, Mello, Thoms, Walker and Woodards

Absent: 1 - Mayor Strickland

Utility Board Members Present: 3 - Flint, Jones, and Patterson

Utility Board Members Absent: 2 - Nelson and Trudnowski

Board Member Trudnowski arrived at 12:10 p.m.

Joint City Council/Public Utility Board Briefing Items

14-0970 Tacoma Public Utilities 2015/2016 Preliminary Budget

Deputy Mayor Woodards announced the first joint study session topic will be a presentation on the Tacoma Public Utilities (TPU) 2015-2016 proposed Biennial Budget, and Board Chair Woodrow Jones introduced Board Members Bryan Flint and Mark Patterson. Bill Gaines, TPU Director, reviewed their mission statement, service focuses, budget drivers, and cost control.

Board Member Trudnowski arrived here, at 12:10 p.m.

Mr. Gaines continued to review the proposed Biennial Budget, including staffing levels, taxes, residential costs, low-income assistance, and rate adjustments. Ted Coates, Power Superintendent, reviewed the Power budget, including key considerations, budget comparisons and assumptions, risks and mitigation, revenues, and expenses. He concluded by reviewing capital projects, funding, rate adjustments, and rate and cost comparisons. Discussion ensued regarding cost drivers, low-income assistance, and staffing levels.

Linda McCrea, Water Superintendent, reviewed the proposed Water budget, including key considerations, budget comparisons and assumptions, risks and mitigation, revenues, expenses, and funding. She concluded by reviewing major changes, rate adjustments, rate and cost comparisons, and a budget summary. Discussion ensued regarding rate increases.

Dale King, Rail Superintendent, reviewed the proposed Rail budget, including key considerations, budget comparisons and assumptions, revenue, expenses, and capital projects. He concluded by reviewing budget changes, and rate comparisons.

Mr. Gaines concluded by providing an overview of the proposed TPU Biennial Budget and rate proposals. Discussion ensued regarding the consolidation of lobbying efforts, forecasting, City-owned establishments, process efficiencies, and creating a standing committee to review consolidation efforts. Council Member Ibsen requested information on the cost analysis of consolidating departments between TPU and general government. Council Member Lonergan requested staff review other municipalities' processes and goal setting while doing the cost analysis.

Deputy Mayor Woodards adjourned the joint study session at 1:58 p.m. and stated the Council would take a break followed by the regular study session.

The Council recessed at 1:59 p.m.

The Council reconvened at 2:20 p.m.

City Council Briefing Items

14-0971 Budget Work Session - Environmental Services

Council Member Campbell announced the first regular study session topic will be a budget work session on the Environmental Services (ES) Department. Mike Slevin, ES Director, provided a department overview, including their mission statement, organizational structure, and 2013-2014 accomplishments. Mr. Slevin then reviewed the ES proposed Biennial Budget, including funds by program; cost by category; 2015-2016 initiatives; and reductions, efficiencies, and enhancements. He concluded by reviewing revenue adjustments, including cost of service drivers, replacement costs, bond transactions, credit ratings, debt services, residential costs and comparisons, affordability calculations and revenue plan, and next steps. Discussion ensued regarding the transition of the Office of Environmental Policy and Sustainability to ES, staffing levels, capital projects, cost comparisons to other municipalities, credit ratings, green roads, open spaces, and asset management strategies. Council Member Mello

requested information on all utility credit ratings, and a bar graph for ES utilities regarding rate increases.

Other Items of Interest

City Manager T.C. Broadnax stated the next budget workshop will be held on October 21, 2014 in Council Chambers at 12:00 p.m. noon with presentations on the General Fund revenues and cost drivers.

Agenda Review and City Manager's Weekly Report

14-0972 Weekly Report to the City Council, October 9, 2014

Mr. Broadnax stated at tonight's meeting there will be a proclamation proclaiming October 16, 2014 as Conflict Resolution Day, and Citizens' Forum.

Adjournment

On proper motion, the meeting was adjourned at 3:25 p.m.

Victoria Woodards, Deputy Mayor

Doris Sorum, City Clerk