



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street, Tacoma, WA 98402, Conference Room 248
Dial: 253-215-8782 Meeting ID: 844 1669 0206
Webinar Link: www.zoom.us/j/84416690206 Passcode: 614650
June 18, 2024
10:00 AM

Call to Order

Chair Hines called the meeting to order at 10:05 a.m.

Roll Call

Present: 4 - Bushnell, Daniels, Rumbaugh and Hines

Chair Hines and Council Member Daniels participated virtually.

Public Comment

There was no public comment.

Briefing Items

1. [24-0656](#) Proposed Changes to Claims and Collections Procedures Tacoma Municipal Code Chapter 1.06
[Chris Bacha, City Attorney]

At approximately 10:06 a.m., Chris Bacha, City Attorney, presented the proposed changes to the Tacoma Municipal Code (TMC) Chapter 1.06 related to claims and collection procedures, including an overview, noting topic, purpose, and proposed changes; consolidation, noting reorganizing TMC sections will provide a better organized format; collection authority; types of debts collected and alignment with other jurisdictions; settlement authority, rational, history, and collection; prosecution of claims; claims against the City; and recommendations.

Discussion ensued regarding the amount a claim can be submitted for, settlement amounts, what other cities were looked at to determine benchmark settlement authority, how the current settlement authority has affected the City Attorney's ability to settle litigation, and reports on when claims are settled at a certain amount.

MOTION: Council Member Rumbaugh moved to forward the proposed changes to Tacoma Municipal Code Chapter 1.06, to the full City Council for consideration.

SECONDED BY: Council Member Daniels.

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

Ayes: 4 - Bushnell, Daniels, Rumbaugh and Hines

2. [24-0657](#) Tacoma Water and Tacoma Power Preliminary Long-Range Financial Plan Overview [Lyna Vo, Principal Data Analyst, Tacoma Water; Michelle Brown, Financial Planning Manager, Tacoma Power]

At approximately 10:35 a.m., Lyna Vo, Principal Data Analyst, Tacoma Water, and Michelle Brown, Financial Planning Manager, Tacoma Power, presented the Tacoma Water and Tacoma Power preliminary Long-Range Financial Plan (LRFP) overview.

Brown began with the preliminary LRFP overview for Tacoma Power including background; financial planning guided by principles and policies; how recommended average rates are determined; Tacoma Power’s residential rates are low, and provided a Western Washington monthly residential bill comparison; wholesale revenues, noting wholesale market percentage; foundational elements of financial forecasts, noting expense assumptions, revenue assumptions, and credit, debt, and reserves; planning for risks and uncertainties, noting internal and external risks; recommended annual rate increase in 2025 and 2026, noting actual rate increases, base rate increases, and range of projected rate increases; what is driving the increase in recommended rates, noting cumulative increases since 2019; debt expense management can help stabilize long-term rates, noting historical and current debt service; using the Rate Stabilization Fund to mitigate future financial risks, noting future expenses, hydro volatility, and price volatility; and peer utility rate increases.

Vo began with the preliminary LRFP overview for Tacoma Water including an overview and background; guidance from principles and policies; foundation; base case and scenarios; 2025-2026 development; changes since the last base case; next steps; and average residential bill.

Discussion ensued throughout regarding Tacoma Power's Rate Stabilization Fund, windfall and current projections, adverse water conditions, and rate stabilization indexes, Tacoma Water's residential impact by the WestRock closure, PFAS treatment, and federal requirements for ecology and

environmental impacts.

Topics for Upcoming Meetings

3. [24-0658](#) July 2, 2024 - Cancelled
July 16, 2024 - Monthly Budget Update; Multi-Family Tax Exemption Update; Telecommunications Franchise Agreement Between The City of Tacoma and Zayo; Fire Levy "For" and "Against" Committees
August 6, 2024 - Update on Accessory Dwelling Units

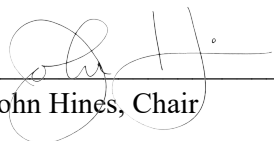
D'Angelo Baker, Committee Liaison, stated the July 2, 2024, meeting is cancelled; the July 16, 2024, meeting will include a monthly budget update, Multi-Family Tax Exemption update, telecommunications franchise agreement with Zayo, and Fire Levy "For" and "Against" Committees; the August 6, 2024, meeting will include an update on accessory dwelling units and the possible addition of "For" and "Against" Committee selections for the proposed Charter amendments.

Other Items of Interest

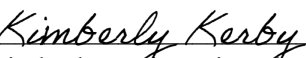
There were no other items of interest.

Adjournment

There being no further business, the meeting adjourned at 11:16 a.m.



John Hines, Chair



Kimberly Kerby, City Clerk's Office