



ORDINANCE NO. 28497

1 AN ORDINANCE relating to pay and compensation; amending Tacoma Municipal
2 Code 1.12.110, relating to severance benefits, to eliminate the authority of
3 the City Manager and Director of Utilities to grant severance benefits
4 associated with an employment agreement as a means of attracting and
5 retaining public employees, and to require the City Council to approve any
6 proposed agreement that would grant severance benefits to the Director of
7 Utilities.

8 WHEREAS Tacoma City Charter § 6.9 vests in the City Council the sole
9 authority to set the compensation of all officers and employees of the City through
10 the approval of a pay plan and salary ordinance, and prohibits any City officer or
11 employee from receiving any compensation from any sources whatsoever for their
12 service to the City beyond what is provided in the pay plan and salary ordinance,
13 and

14 WHEREAS, pursuant to Tacoma City Charter § 6.9, the City Council
15 approved Ordinance No. 27636, passed July 31, 2007, amending Tacoma
16 Municipal Code ("TMC") 1.12.110.H, which authorized the City Manager, Public
17 Utility Board, and Director of Utilities to each have discretion "to authorize the
18 payment of severance benefits associated with an employment agreement in the
19 event of termination without cause, in order to secure or retain key qualified
20 personnel possessing specialized technical or professional skills for
21 unrepresented positions up to the limits of their delegated contracting authority in
22 the case of the City Manager and Director of Utilities, and up to an amount
23 corresponding to one year of salary in the case of the . . . Public Utility Board,"
24 and
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1 WHEREAS, since 2007, only three individuals have been provided an
2 employment agreement authorizing the payment of severance benefits authorized
3 by the Director of Utilities, and

4 WHEREAS, in 2014, the voters amended Tacoma City Charter § 4.18,
5 which now requires the Public Utility Board to appoint and then reappoint the
6 position of Director of Public Utilities, subject to City Council confirmation, every
7 two years, and

8 WHEREAS providing severance benefits to non-executives is unnecessary
9 to attract and retain qualified public employees, and is arguably an inappropriate
10 use of City taxes or ratepayer revenues, and

11 WHEREAS TMC 1.12.110.H has not been updated to reflect the City
12 Council's new role related to confirming the appointment of the Director of Utilities,
13 nor does it provide policy guidance on what circumstances resulting in termination
14 of employment will result in the loss of severance benefits, and

15 WHEREAS the proposed amendments to TMC 1.12.110.H will eliminate the
16 authority of the City Manager and Director of Utilities to grant severance benefits
17 associated with employment agreements as a means of attracting and retaining
18 public employees, and will require the City Council to approve any proposed
19 agreement which would grant severance benefits for the Director of Utilities, and

20 WHEREAS the proposed amendments further provide that all agreements
21 authorizing severance benefits shall include, at a minimum, language that prohibits
22 the payment of such benefits when the event of termination is the result of gross
23 negligence, intentional acts which are not in the best interests of the City, which
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interfere with the employee’s ability to perform the duties of the position,
acceptance of another position while still employed with the City, or conviction of a
gross misdemeanor or felony offense; Now, Therefore,

BE IT ORDAINED BY THE CITY OF TACOMA:

That Section 1.12.110 of the Tacoma Municipal Code, relating to severance
benefits, is hereby amended as set forth in the attached Exhibit “A.”

Passed _____

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney



EXHIBIT "A"

1 * * *

2 **1.12.110 Other official expenditures.**

3 In addition to the prescribed rates of pay and other allowances provided for in this chapter, officers,
4 employees, and volunteers of the City shall be entitled to the payment of or reimbursement for the following
5 classes of official expenditures:

6 * * *

7 H. Whenever the City Manager, the Director of Utilities, or the Public Utility Board determines that, in order
8 to secure or retain key qualified personnel possessing specialized technical or professional skills for
9 unrepresented positions, it is necessary to offer said individuals additional compensation, benefits, or both,
10 then the City Manager, the Director of Utilities, and the Public Utility Board shall each have discretion to
11 authorize the payment of up to an annual total of \$100,000 in additional compensation, benefits, or both. Such
12 compensation, benefits, or both under this provision of this paragraph shall be limited to a maximum of
13 \$15,000 per employee per year; provided, that payment can lawfully be made from funds appropriated in the
14 current biennial budget of the employing department. In addition, the ~~City Manager, City Council, Director of
15 Utilities,~~ and Public Utility Board shall each have discretion to authorize the payment of severance benefits
16 associated with an employment agreement in the event of termination without cause, in order to secure or
17 retain ~~key qualified personnel possessing specialized technical or professional skills for unrepresented
18 positions up to the limits of their delegated contracting authority in the case of the City Manager and Director
19 of Utilities, positions, and up to an amount corresponding to one year of salary in the case of the City Council
20 and the Public Utility Board. If the Public Utility Board determines that payment of severance benefits
21 should be authorized as part of an agreement to secure or retain the services of the Director of Utilities, then
22 such agreement shall be initiated by the Public Utility Board, subject to approval by the City Council. All
23 agreements authorizing severance benefits shall include, at a minimum, language that prohibits payment of
24 such benefits when the event of termination is the result of gross negligence, intentional acts which are not in
25 the best interests of the City or interfere with the employee's ability to perform the duties of the position,
26 acceptance of another position while still employed with the City, or conviction of a gross misdemeanor or
felony offense. An annual report showing the recipients of all severance, compensation, and benefits granted
under this provision shall be submitted to the City Council in the month of December of each year.~~

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