



# Government Performance and Finance Committee Minutes

<http://www.cityoftacoma.org/GPF>

Tacoma Municipal Building, Room 248, 747 Market Street, Tacoma, Washington 98402

May 21, 2014

Chair Lonergan called the meeting to order at 4:35 p.m.

Council Committee Members Present: Campbell, Ibsen (alternate), and Lonergan.

Council Committee Members Absent: Thoms and Mayor Strickland.

## **Approval of the minutes of the meeting of May 7, 2014**

Council Member Campbell moved to approve the minutes of the May 7, 2014 meeting. Seconded by Council Member Ibsen. Voice vote was taken and carried. The minutes were approved.

## **Fleet Lease and Local Vehicle Purchase**

At approximately 4:35 p.m., Fred Chun, Public Works, provided background information on fleet vehicle leasing and purchasing, including operating and capital leases. He then reviewed the proposed analysis of fleet leases and vehicle purchasing options, including policies; the purchasing process; outreach; and previous purchases, including purchasing method, vehicle types, and dealer locations. Kathy Katterhagen, Purchasing, reviewed the City's purchasing and bidding process. Discussion ensued regarding competitive bidding, capital versus operating leases, debt, potential savings for purchasing versus leasing, deferred maintenance, examples of local entities who lease, a replacement fund, vehicle types, term lengths for bonded vehicles, local dealer pricing, state contract pricing, the bidding process, state statute on sales tax and business and occupation (B&O) taxes, local vendors, and putting a process in place to find out if local businesses could match state contracts. T.C. Broadnax, City Manager, and Kurtis Kingsolver, Public Works Director, stated the process will need to be discussed with the City Attorney's Office and Tax & License to determine the legal statute on sales taxes and B&O tax usage and waivers. Council Member Campbell requested staff review whether B&O taxes could be waived to award contracts to local business versus using current state contracts.

## **Topics for Upcoming Meetings**

Christina Watts, City Manager's Office, stated the next meeting is June 4, 2014 with interviews for the Public Utility Board. She stated the meeting of June 18, 2014 will be located in Conference Room 16 of the Tacoma Municipal Building North with a presentation on for-hire transportation services. Ms. Watts stated the meeting of July 2, 2014 will have presentations relating to the Tacoma Employees' Retirement System and divestment of fossil fuels, and the meeting of July 16, 2014 is held for the selection of the "For" and "Against" Committee Members for proposed amendments to the City Charter. Discussion ensued regarding Public Utility Board interviews.

**Other Items of Interest**


Council Member Campbell requested an analysis of the current B&O tax threshold for small businesses, including the impacts if it was raised from \$250,000 to \$500,000.


**Public Comment**

None.

**Adjournment**

There being no further business, the meeting was adjourned at 5:21 p.m.

  
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Nicole Emery, Office Assistant, City Clerk's Office

  
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Joe Lonergan, Chair