



City of Tacoma City Council Study Session Minutes

733 Market Street, Tacoma WA 98402

Conference Room 16

July 07, 2015

12:00 PM

JOINT MEETING WITH THE PUBLIC UTILITY BOARD

Call to Order

Mayor Strickland called the joint study session to order at 12:04 p.m.

Present: 7 - Boe, Campbell, Lonergan, Mello, Thoms, Walker and Mayor Strickland

Absent: 2 - Ibsen and Woodards

Council Member Ibsen arrived at 12:09 p.m., and Council Member Woodards arrived at 12:25 p.m.

Tacoma Public Utility Board Members Present: Bryan Flint, Woodrow Jones, David Nelson, Mark Patterson and Monique Trudnowski

Joint City Council / Public Utility Board Briefing Items

1. [15-0722](#) Click! Network Financial Update

At approximately 12:05 p.m., Bob Mack, Deputy Director for Government Affairs, Tacoma Public Utilities, reviewed Click! history and current status.

Council Member Ibsen arrived here, at 12:09 p.m.

Mr. Mack continued by reviewing 1997 projections versus actual, cross subsidy issues, declines and growths, and a Click! management timeline. Joe Tellez, Chief Technology Officer, Tacoma Public Utilities, reviewed the history of Advanced Metering Infrastructure technology, and discussed why gateway meters are now obsolete.

Council Member Woodards arrived here, at 12:25 p.m.

Bill Berry, Rates, Analysis and Planning Manager, Tacoma Power, reviewed allocation, cost allocation history, total telecommunications operating and maintenance costs, examples of allocation, reconciliation to financial

scenarios, and Click! revenues and expenses.

Discussion ensued regarding the timeline, service percentage, wireless technology, rates, the balance sheet, revenues, loan debt, and marketing expenses.

Olga Darlington, Moss Adams, LLC, presented a Click! cost allocation consulting report, and discussed scope, process, analysis, and conclusion. Doug Dawson, CCG Consulting, presented shut down scenarios, including what it means to shut down, 94/6 cost allocation versus shut down, marketing comparisons, follow up, lessee success, and conclusions. Chris Robinson, Tacoma Power Superintendent, reviewed Comcast bundle comparisons, Comcast rate card comparison, Rainier Connect rates, Advanced Stream and Wave Broadband rates, and an internet rate comparison summary.

Discussion continued regarding allocation, shut down scenarios, costs without leasing, commercial data service and residential service.

Board Member Flint then presented an "all-in" Click! proposal to City Council and briefly discussed goals and the value of Click! to the community.

Discussion ensued regarding the differences between proposals, fiduciary responsibility and cost, legality of providing other services, effect to franchise agreements with sister cities, costs, Vision 2025, process, how many cities treat internet as a utility, subsidies, benchmarks, goals, Click! options, economic development, values, using due diligence to ensure the best decision for citizens, gigabit service, how to keep Click!, protecting the public, financing, up-front costs, lease options and open source wholesale.

The joint study session adjourned and the study session convened at 2:26 p.m.

Other Items of Interest

There were no other items of interest.

Committee Reports

There were no Committee reports.

Agenda Review and City Manager's Weekly Report

2. [15-0723](#) Weekly Report to the City Council, July 2, 2015
At approximately 2:27 p.m., T.C. Broadnax, City Manager, stated there is one proclamation on tonight's agenda, proclaiming July 2015 as LGBTQ Pride Month. He also stated there will be a motion prepared to suspend the rules to consider Resolution No. 39231, accepting the Tacoma Minimum Wage Task Force report at the end of the agenda after item number 21, Ordinance No. 28305.

Adjournment

On proper motion, the study session was adjourned at 2:28 p.m.

Marilyn Strickland, Mayor

Doris Sorum, City Clerk