



City of Tacoma

Government Performance and Finance Committee Minutes

Dial: 253-215-8782 Meeting ID: 894 3667 0993 Passcode: 013480

Webinar Link: www.zoom.us/j/89436670993

September 30, 2020

10:00 AM

Chair Lillian Hunter, Vice Chair Robert Thoms, John Hines,
Kristina Walker, Keith Blocker (alternate), Bryan Flint (ex officio)

SPECIAL MEETING

Call To Order

Chair Hunter called the special meeting to order at 10:02 a.m.

Roll Call

Present: 4 - Hines, Hunter, Thoms and Walker

All Council Members participated virtually.

Approval of Minutes

1. [20-0646](#) Approval of the minutes of the July 14, 2020, special meeting
2. [20-0645](#) Approval of the minutes of the August 18, 2020, meeting

MOTION: Council Member Thoms moved to approve the minutes of the July 14, 2020, special meeting and the August 18, 2020, meeting.

SECONDED BY: Council Member Walker.

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

Ayes: 4 - Hines, Hunter, Thoms and Walker

Briefing Items

3. [20-0644](#) Tacoma Public Utilities' Rates 2021-2022
[Chris Robinson, Power Superintendent; Scott Dewhirst, Water Superintendent; Dale King, Rail Superintendent, Tacoma Public Utilities]

At approximately 10:04 a.m., Jackie Flowers, Director, Tacoma Public Utilities (TPU), presented an overview of the Tacoma Power, Water, and Rail adjustments, including strategic directives; TPU's commitment to equity; public outreach; bill payment assistance, noting the 2020 Emergency Assistance Program, ongoing assistance and program enhancements, and the Bill Credit Assistance Plan; principles of the rate making process; a revenue requirement analysis; and steps to manage expenditures.

Chris Robinson, Power Superintendent, reviewed Tacoma Power's proposed rate adjustments, including 2020 spending reductions and 2021-2022 budget reductions. Bill Berry, Rates, Planning, and Analysis Manager, outlined Tacoma Power's proposed rate adjustments, including a base case forecast with two percent rate increases proposed for 2021-2022, the 2019-2020 net operating revenue shortfall, historical and scheduled debt service, base case financial metrics, a comparison of liquidity metrics, and Tacoma Power's AA credit ratings. Mr. Robinson further reviewed Tacoma Power's proposed rate adjustments, including the 2021-2022 biennium expenditures and revenue; a comparison of increased expenditures and funding sources; customer classes; the proposed residential rate design, noting a projected average residential bill and an average price comparison for residential consumers; new proposed tariffs, noting a prepay option, shore power, and clean alternative fuels; and other adjustments to existing rates.

Scott Dewhirst, Water Superintendent, presented Tacoma Water's budget rate proposal, including managing expenditures, noting 2020 measures and 2021-2022 budget preparation; 2021-2022 biennium expenditures and revenue; a comparison of increased expenditures and funding sources; financial planning; customer classes; the proposed rate adjustment; and a bill comparison for an average single family residential customer.

Dale King, Rail Superintendent, presented Tacoma Rail's budget rate proposal, including managing expenditures, noting 2020 spending reductions and 2021-2022 budget reductions; a comparison of expenditures and revenue; a comparison of increased expenditures and funding sources; customer classes; the proposed rate adjustment; tariff rate comparison; and proposed changes to the rail rate policy.

Jackie Flowers concluded by reviewing the next steps.

Discussion ensued throughout regarding Tacoma Power's bill increases, a comparison of the average rates for residential consumers and whether those utilities are publicly or privately owned, Tacoma Rail rate-payers, impacts of cuts due to COVID-19 and the sustainability of the utilities, vacant positions and impacts to service levels, concerns about gradual rate increases, how to explain rate increases to community members, bill assistance, utility funds, cumulative impacts on bills, utility reserve funds, outreach to acquire more customers, and electrification of transportation.

MOTION: Council Member Thoms moved to recommend Tacoma Public Utilities' proposed rate adjustments for 2021-2022 to the full City Council for consideration.

SECONDED BY: Council Member Walker.

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

Ayes: 4 - Hines, Hunter, Thoms and Walker

Topics for Upcoming Meetings

4. [20-0647](#) October 6, 2020 - To be determined
October 20, 2020 - To be determined
November 3, 2020 - Interviews for the Board of Ethics

Bucoda Warren, Committee Liaison, stated the October 6, 2020, and October 20, 2020, meetings currently have no topics scheduled; and the November 3, 2020, meeting will include interviews for the Board of Ethics.

Chair Hunter stated she would like to cancel the October 6, 2020, meeting.

Council Member Hines requested that TPU return at the October 20, 2020, meeting to discuss their economic development plans.

Public Comment

There was no Public Comment.

Adjournment

There being no further business, the special meeting adjourned at 11:49 a.m.



Lillian Hunter, Chair



Mary Crabtree, City Clerk's Office