



City of Tacoma City Council Study Session Minutes

747 Market Street, Tacoma WA 98402

City Council Chambers

October 18, 2016

12:00 PM

JOINT MEETING WITH THE PUBLIC UTILITY BOARD Change of Location - City Council Chambers

Call to Order

Mayor Strickland called the joint study session to order at 12:07 p.m.

Present: 7 - Blocker, Campbell, Ibsen, McCarthy, Mello, Thoms and Mayor Strickland

Absent: 2 - Lonergan and Woodards

Public Utility Board Members Present: 3 - Jones, Larkin and Trudnowski

Public Utility Board Members Absent: 2 - Flint and Patterson

Council Members Lonergan and Woodards arrived at 12:14 p.m.

Joint City Council/Utility Board Briefing Items

1. [16-0996](#) Budget Work Session - 2017/2018 Preliminary Tacoma Public Utilities Budget Overview

At approximately 12:07 p.m., Chair Trudnowski, provided brief opening remarks, and introduced Bill Gaines, Director, Tacoma Public Utilities. Mr. Gaines provided an overview of the proposed 2017-2018 Tacoma Public Utilities budget, including focus, and key budget elements

Council Members Lonergan and Woodards arrived here, at 12:14 p.m.

Mr. Gaines continued discussing bill payment assistance, biennial budget comparison, and transfers to General Government.

Chris Robinson, Superintendent, Tacoma Power, provided an overview of the proposed Tacoma Power budget, including revenues and expenditures, employees, budget assumptions, capital budget, budget comparison, budget risks and mitigation, rate driver comparison, proposed rate adjustments, and residential bill comparison.

Discussion ensued regarding decreasing retail revenues, cost of programming, cost of telecommunications, rate increases, staffing increase, reserve levels for Tacoma Public Utilities, Bonneville Power Administration rates, the impact of the Community Solar Project on the budget, hydroelectric power, cost of utilities, and the long term plan for rate increases.

Sean Senescall, Rates and Financial Planning Manager, Tacoma Water, provided an overview of the proposed Tacoma Water budget, including revenues and expenditures, employees, budget assumptions, capital budget, budget comparison, budget risks and mitigation, rate driver comparison, proposed rate adjustments, and residential bill comparison.

Discussion ensued regarding costs, and climate resiliency.

Dale King, Superintendent, Tacoma Rail, provided an overview of the proposed Tacoma Rail budget, including revenues and expenditures, employees, budget assumptions, capital budget, budget comparison, budget risks and mitigation, rate driver comparison, proposed rate adjustments, and short line rate comparison.

Discussion ensued regarding upgrading infrastructure, rate increases, and rate comparison.

The joint study session was adjourned at 1:53 p.m.

The study session recessed at 1:53 p.m. and reconvened at 2:06 p.m.

City Council Briefing Items

2. [16-0997](#) Budget Work Session - General Government Utilities Budget and Rates Overview

At approximately 2:07 p.m., Michael Slevin, Director, Environmental Services, provided an overview of the Environmental Services Department, including mission statement, organizational structure, 2015-2016 accomplishments, goals, waste diversion from landfills, and asset management plans. Mr. Slevin reviewed the 2017-2018 proposed budget, including Solid Waste; Wastewater; Surface water; debt refinancing; and the Center for Urban Waters; 2017-2018 budget proposals, including Wastewater and Surface Water 100 year replacement capital; reductions and enhancements; 2017-2022 revenue plan; deviations from 2015-2016 projections; residential monthly bill comparison; the payment assistance program; affordability calculations; equity in budgeting; and next steps. Mr. Slevin concluded by providing information relative to the Environmental Services Commission.

Discussion ensued regarding a recent local storm, increasing costs, open space improvement, enhancements, rates, rate increases, Pierce County stormwater rates, and quantifying what the public will receive from the rate increases.

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

3. [16-0993](#) Weekly Report to the City Manager, October 13, 2016

T.C. Broadnax, City Manager, stated the next budget work session will take place on October, 25, 2016. He also stated there are three ceremonials on tonight's agenda, proclaiming Monday, October 24, 2016 as National Food Day, recognizing the Tacoma Chapter of the Links, Incorporated, and the presentation of the Safe Streets Award for exemplary involvement in National Night Out.

Executive Session - Potential Litigation

MOTION: Deputy Mayor Mello moved to convene to Executive Session pursuant to RCW 42.30.110 (1)(i) to discuss potential litigation, not to exceed 15 minutes.

SECONDED BY: Council Member Woodards.

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

Ayes: 7 - Blocker, Ibsen, Lonergan, McCarthy, Mello, Woodards and Mayor Strickland

Absent: 2 - Campbell and Thoms

The City Council convened to Executive Session at 3:15 p.m. City Attorney Elizabeth Pauli was present.

The Executive Session was extended by 10 minutes at 3:30 p.m., 3:40 p.m., and 3:50 p.m.

The Executive Session concluded and the study session reconvened at 4:00 p.m.

Adjournment

On proper motion, the study session was adjourned at 4:00 p.m.

Marilyn Strickland, Mayor

Doris Sorum, City Clerk