



RESOLUTION NO. U-11174

1 A RESOLUTION relating to the amendment of Ordinance No. 23295, to modify
2 the operation of the Department of Public Utilities Fleet Services Fund,
3 to modernize the internal fleet fee structure, increase fiscal responsibility,
4 and provide greater flexibility for funding future fleet assets.

5 WHEREAS the Department of Public Utilities Fleet Services Fund was
6 originally created via Ordinance No. 23295 on December 11, 1984, and

7 WHEREAS, as prescribed by Ordinance No. 23295, all personal property,
8 equipment, and/or assets owned or held by the individual Tacoma Public Utility
9 operating divisions primarily related to Tacoma Public Utilities' fleet assets were
10 transferred to the Department of Public Utilities Fleet Services Fund using the net
11 book value of the assets, and

12 WHEREAS, as prescribed by Ordinance No. 23295, all assets procured
13 for the fund were accounted for as an operating expense to the operating division
14 utilizing the asset, and were recorded as capital assets in the Department of
15 Public Utilities Fleet Services Fund, and

16 WHEREAS accounting for certain assets within each of the operating
17 funds would allow for more flexibility in funding options for purchasing fleet
18 equipment, and

19 WHEREAS staff recommends transferring to each operating division the
20 assets that have been funded by each of the operating divisions and are used
21 exclusively by each operating division, while leaving support division fleet assets
22 under the ownership of the Department of Public Utilities Fleet Services Fund,
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WHEREAS each utility division of Tacoma Public Utilities has contributed additional funds to the Department of Public Utilities Fleet Services Fund for the purchase and acquisition of fleet equipment on their behalf to be used exclusively by each division, and

WHEREAS, if the proposed changes are made by the City Council, the Director of Public Utilities or the Director’s designee is delegated authority to determine the amount of capital reserves that should remain in the Department of Public Utilities Fleet Services Fund for its continued operations and support of division asset purchases, with remaining unused capital reserves to be transferred to the respective divisions that made those contributions, and

WHEREAS funds related to the amended Ordinance are currently included in the budgets for TPU, and

WHEREAS, for clarity, Ordinance No. 23295 is set forth below with the recommended amendments concerning the management and operation of the Department of Public Utilities Fleet Services Fund:

Section 1. That there be and is hereby created and established in the Treasury of the City of Tacoma a new fund to be known and designated as the “Department of Public Utilities Fleet Services Fund” to be used exclusively for the operation of the Department of Public Utilities consolidated fleet management program with responsibility for all vehicle administration under a fleet manager as originally established and as amended.



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Section 2. That the Department of Public Utilities Fleet Services Fund shall be used as a revolving fund which shall be expended for (1) administration expenses including but not limited to salaries, wages, space rental and other administrative overhead; (2) operations and maintenance expenses, including but not limited to purchase, lease or rental of new or used vehicles or vehicular related equipment, repairs, replacements, maintenance costs and supplies. Future fleet expenses will be recovered through ~~rental~~ rates, established through the Department of Public Utilities Fleet Services Fund's policies and procedures by the Fleet Manager as approved by ~~the Manager for the General Services Division and~~ the Director of Utilities, ~~for specific pieces of equipment rented to users. Benefits received from the program by the Light, Water and Belt Line Divisions will be in direct proportion to the asset values transferred by each operating division to the fund.~~ Future ~~rental~~ rates may reflect not only cost of service but also sufficient monies to assist in funding future purchases.

Section 3. All vehicular equipment owned or leased by the Department of Public Utilities not exclusively used by the Power, Water and Rail Divisions shall be an asset of the Department of Public Utilities Fleet Services Fund as a support division asset and managed by the Fleet Manager. Any outside rental or lease



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of vehicular equipment for Department of Public Utilities shall be accomplished in accordance with the policies established by the Director of Utilities.

Section 4. All personal property, equipment and/or assets owned or held by the Light, Water or Belt Line Divisions of the Department of Public Utilities which is primarily related to the Department of Utilities' state licensed vehicular fleet or other Department of Public Utilities vehicular equipment as designated by the Director of Utilities shall be transferred to the said Department of Public Utilities Fleet Services Fund as of January 1, 1985. ~~The net book value of the assets of each operating division, together with the associated reserve for depreciation will be maintained in the asset accounts of the operating division under the heading of "Investment in the Department of Public Utilities Fleet Services Fund".~~ By December 31, 2020, all personal property, equipment and/or assets owned or held by the Department of Public Utilities Fleet Services Fund which is primarily related to the Department of Public Utilities' state licensed vehicular fleet or other Department of Public Utilities vehicular equipment that is utilized exclusively by the Power (formerly "Light"), Water, and Rail (formerly "Beltline") Divisions shall be transferred to said Division.



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Section 5. The Director of Finance of the City of Tacoma be and is hereby authorized and directed to transfer to said Department of Public Utilities Fleet Services Fund as a working fund advance, from the following funds, the individual sums totaling \$375,000 to be used for the purpose of paying the operational costs of the said fund:

<u>Fund No.</u>	<u>Name</u>	<u>Amount</u>
470	Light Fund	\$312,563
460	Water Fund	\$59,212
450	Belt Line Fund	<u>\$3,255</u>
	Total	\$375,000

The Director of Finance of the City of Tacoma shall be and is hereby authorized and directed to transfer, by December 31, 2020, from the Department of Public Utilities Fleet Services Fund to the Power, Water, and Rail Divisions any unused capital reserves contributed to the fund by each particular Division, after deducting the total amount to remain in the fund for its continued operations and to support division asset purchases. The amount to remain in the Fleet Services Fund for its continued operations and to support division asset purchases will be determined by the Director of Public Utilities or the Director's designee.

Section 6. Should the Department of Public Utilities Fleet Services Fund be dissolved for any reason, any surplus or deficiency, together with the original book value of the assets transferred to said Department of Public Utilities Fleet Services



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Fund shall be shared by the LightPower, Water and Belt LineRail Divisions on a pro rata basis in accordance with their contributions to said fund.

WHEREAS Tacoma Public Utilities believes it is in the best interests of its customers and the citizens of Tacoma that the above recommended amendments be made to Ordinance No. 23295 concerning the management and operation of the Department of Public Utilities Fleet Services Fund; Now, Therefore,

BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

Section 1. The Board approves the above recommended amendments to Ordinance No. 23295.

Section 2. The Board requests that the City Council concur in its recommendation to amend Ordinance No. 23295 as set forth above.

Approved as to form:

	_____	Chair
<u>/s/</u>	_____	Secretary
Chief Deputy City Attorney	_____	Adopted _____
Clerk		