



City of Tacoma City Council Study Session Minutes

733 Market Street, Tacoma WA 98402

Conference Room 16

January 23, 2018

12:00 PM

JOINT MEETING WITH THE PUBLIC UTILITY BOARD

Call to Order

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

Present: 9 - Beale, Blocker, Hunter, Ibsen, McCarthy, Mello, Thoms, Ushka and Mayor Woodards

Public Utility Board Members: Flint, Jones, Larkin, Patterson, and Trudnowski

Joint City Council /Public Utility Board Briefing Items

1. [18-0057](#) Vision and Next Steps for Click!

At approximately 12:08 p.m., Monique Trudnowski, Chair, Public Utility Board, made opening remarks regarding vision and next steps for Click! Network (Click!) and introduced Joanne Hovis, President, CTC Technology & Energy. Ms. Hovis provided background information and reviewed the summary document, which provides a preliminary framework of alternative business strategies to reduce operating losses of Tacoma Public Utilities. She then presented and explained the following alternative options:

1. Continue finding ways to reduce costs and streamline operations
2. Become a retail internet service provider and potentially eliminate cable TV operations
3. Upgrade Click! to fiber-to-the-premises in an effort to better compete with incumbents in the market
4. Cease internet and cable operations and abandon the related parts of the network
5. Seek a partner willing to take on operating and other obligations and costs while agreeing to conditions that would preserve Click!'s significant policy achievements

Kari Vander Stoep, outside Legal Counsel, K&L Gates, stated her firm is representing the City and provided an update on the ongoing litigation relating to Click!, including background, plaintiffs, documents and dispositions provided from the City, a motion for partial summary judgement, and the trial timeline.

Chair Trudnowski stated she requested for a resolution to rescind the all-in retail services plan based on the CTC Technology & Energy recommendations, legal advice, and market condition. Bill Fosbre, City Attorney, stated the draft resolution, Resolution No. U-10988, relating to Click!, establishes a vision and next steps for maximizing the value of Click! Network. Tom Morrill, Chief Deputy City Attorney, stated the resolution will be considered by the Public Utility Board at the Board's regular meeting tomorrow, January 24, 2018, and provided further information on the resolution, including a background, vision, next steps, the rescindment of all-in retail services plan, and a request for an approval of the community policy goals. Mr. Fosbre explained the intent and scope of community policy goals, and listed the following twelve goals:

1. Continuing public ownership of the telecommunications assets, especially those assets necessary for Tacoma Power operations
2. Ensuring geographically, economically, and technologically, equitable access
3. Creating low-income affordable access to telecommunication services
4. Enforcing net neutrality principles for all customers
5. Allowing open access to telecommunication assets by other telecommunication providers, to the extent such access benefits customers
6. Preserving competition among telecommunication providers that benefits customers (such as high-quality, technologically up-to-date, and reasonably priced telecommunication services), including restricting transfer of ownership or operations that reduce competition
7. Safeguarding the use of telecommunications services by the Tacoma Power, City, and other local governments
8. Maintaining financial stability of the telecommunications business operations utilizing the Click! assets
9. Promoting economic development and educational opportunities
10. Providing job options and security for Click! staff and protecting the intellectual capital of the system
11. Protecting customer privacy
12. Preserving Click! Network's goodwill, including via its market-leading customer service for telecommunications customers

Discussion ensued regarding the privatization of Click!, the concern for

generalized language in the CTC Technology & Energy summary document, qualifications of partners, the need for providing job options and security for staff, the equal importance of intangible goals, net neutrality, the need for City Council goals to align with the community policy goals, and legal and financial challenges. Discussion continued regarding cost allocation, a standalone business plan, private partnership options, internet service provider challenges, the need for expediting the final decision, recognizing staff, risks, public sectors, engagement committee, the need for generating revenue, and inclusion of current partners and all other businesses in request for information process.

The joint study session was adjourned at 1:29 p.m. and the regular study session convened at 1:36 p.m.

City Council Briefing Items

2. [18-0058](#) Youth Positions on Committees, Boards and Commissions

At approximately 1:36 p.m., Doris Sorum, City Clerk, made opening remarks and introduced David Nash-Mendez, Senior Management Fellow, Office of Management and Budget. Mr. Nash-Mendez provided information on youth positions on the Committees, Boards, and Commissions (CBCs), including a background, current status, best practices for recruiting youths, well-referenced youth programs, training and support in civic engagement, and eligibility requirements and options.

Discussion ensued regarding barriers, requirement versus optional, clarification on the youth position term aligning with the academic year, interest in expanding the youth age eligibility, the need for looking into school curriculums, optional two-year terms, utilizing the Summer Job 253 Program for recruitment, voting authority, designated youth positions, the possibility of creating a Youth Advisory Council, and lowering the age limit.

Other Items of Interest

Mayor Woodards reminded Council Members about the Committee of the Whole meeting today.

Agenda Review and City Manager's Weekly Report

3. [18-0061](#) Weekly Report to the City Council, January 18, 2018

City Manager Pauli stated the Committee of the Whole is located here, Conference Room 16 in the Tacoma Municipal Building North, at 3:15 p.m., and stated there are no ceremonials or any expected changes to tonight's

agenda. Ms. Pauli also reminded Council Members regarding the two-part media trainings on Monday, February 5, 2018 at 4 p.m. and Tuesday, February 6, 2018 at 10 a.m.

Adjournment

On proper motion, the study session was adjourned at 2:08 p.m.

Victoria R. Woodards, Mayor

Doris Sorum, City Clerk