



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Deputy Mayor Anders Ibsen and Rebecca Boydston, City Council Assistant  
**COPY:** Government Performance and Finance Committee;  
Andy Cherullo, Director, Finance Department  
**PRESENTER:** Bill Fosbre, City Attorney  
**SUBJECT:** Resolution to amend TMC 1.12.110H, related to severance authority  
**DATE:** March 6, 2018

**PRESENTATION TYPE:**

Request for Resolution

**SUMMARY:**

Staff from the City Attorney's office will present a resolution to amend TMC 1.12.110H, eliminating the authority of the City Manager and Director of Utilities to grant severance benefits as a means of attracting and retaining public employees, and require the City Council to approve any proposed agreement that would grant severance benefits to the Director of Utilities.

**BACKGROUND:**

In 2007, the City Council pursuant to Ord. 27636 (amending TMC 1.12.100H) authorized, among other forms of compensation and benefits, that the City Manager, Public Utility Board, and Director of Utilities shall each have discretion "to authorize the payment of severance benefits associated with an employment agreement in the event of termination without cause, in order to secure or retain key qualified personnel possessing specialized technical or professional skills for unrepresented positions up to the limits of their delegated contracting authority [maximum of \$200,000] in the case of the City Manager and Director of Utilities, and up to an amount corresponding to one year of salary in the case of the...Public Utility Board." **This benefit tool has been rarely used.**

In 2014, the voters amended the Tacoma City Charter section 4.18, which now requires the Public Utility Board to appoint and then reappoint the position of Director of Public Utilities, subject to City Council confirmation, every two years.

**ISSUE:**

Providing severance benefits to non-executives is unnecessary to attract and retain qualified public employees, and is arguably an inappropriate use of City taxes or ratepayer revenues. In addition, the severance ordinance has not been updated to reflect the City Council's new role related to confirming the appointment of the Director of Utilities. The current ordinance also does not provide policy guidance on what circumstances resulting in termination of employment will result in the loss of severance benefits.

**ALTERNATIVES:**

To not adopt the resolution.

**FISCAL IMPACT:**



There is no fiscal impact.

**RECOMMENDATION:**

Amend TMC 1.12.110H by eliminating the authority of the City Manager and Director of Utilities to grant severance benefits as a means of attracting and retaining public employees, and require the City Council to approve any proposed agreement that would grant severance benefits the Director of Utilities. In addition, add to the ordinance that all agreements authorizing severance benefits shall include at a minimum language that prohibits payment of such benefits when the event of termination is the result of gross negligence, intentional acts which are not in the best interests of the City or which interfere with Employee's ability to perform her duties, acceptance of another position while still employed with the City, or conviction of a gross misdemeanor or felony offense.