



## ORDINANCE NO.

1 AN ORDINANCE relating to pay and compensation; amending Tacoma Municipal  
2 Code 1.12.110, relating to severance benefits, to eliminate the authority of  
3 the City Manager and Director of Utilities to grant severance benefits as a  
4 means of attracting and retaining public employees, and to require the City  
Council to approve any proposed agreement that would grant severance  
benefits the Director of Utilities.

5 WHEREAS Tacoma City Charter § 6.9 vests in the City Council the sole  
6 authority to set the compensation of all officers and employees of the City through  
7 the approval of a pay plan and salary ordinance, and prohibits any City officer or  
8 employee from receiving any compensation from any sources whatsoever for their  
9 service to the City beyond what is provided in the pay plan and salary ordinance,  
10 and  
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12 WHEREAS, pursuant to Tacoma City Charter § 6.9, the City Council  
13 approved Ordinance No. 27636, passed July 31, 2007, amending Tacoma  
14 Municipal Code ("TMC") 1.12.110, which authorized the City Manager, Public  
15 Utility Board, and Director of Utilities to each have discretion "to authorize the  
16 payment of severance benefits associated with an employment agreement in the  
17 event of termination without cause, in order to secure or retain key qualified  
18 personnel possessing specialized technical or professional skills for  
19 unrepresented positions up to the limits of their delegated contracting authority in  
20 the case of the City Manager and Director of Utilities, and up to an amount  
21 corresponding to one year of salary in the case of the . . . Public Utility Board,"  
22 and  
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24 WHEREAS, since 2007, only three individuals have been provided an  
25 employment agreement authorizing the payment of severance benefits, and  
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1       WHEREAS, in 2014, the voters amended Tacoma City Charter § 4.18,  
2       which now requires the Public Utility Board to appoint and then reappoint the  
3       position of Director of Public Utilities, subject to City Council confirmation, every  
4       two years, and

5       WHEREAS providing severance benefits to non-executives is unnecessary  
6       to attract and retain qualified public employees, and is arguably an inappropriate  
7       use of City taxes or ratepayer revenues, and

8       WHEREAS TMC 1.12.110 has not been updated to reflect the City Council's  
9       new role related to confirming the appointment of the Director of Utilities, nor does  
10      it provide policy guidance on what circumstances resulting in termination of  
11      employment will result in the loss of severance benefits, and

12      WHEREAS the proposed amendments to TMC 1.12.110 will eliminate the  
13      authority of the City Manager and Director of Utilities to grant severance benefits  
14      as a means of attracting and retaining public employees, and will require the City  
15      Council to approve any proposed agreement which would grant severance benefits  
16      for the Director of Utilities, and

17      WHEREAS the proposed amendments further provide that all agreements  
18      authorizing severance benefits shall include, at a minimum, language that prohibits  
19      the payment of such benefits when the event of termination is the result of gross  
20      negligence, intentional acts which are not in the best interests of the City, which  
21      interfere with the employee's ability to perform the duties of the position,  
22      acceptance of another position while still employed with the City, or conviction of a  
23      gross misdemeanor or felony offense; Now, Therefore,  
24      gross misdemeanor or felony offense; Now, Therefore,  
25      gross misdemeanor or felony offense; Now, Therefore,  
26      gross misdemeanor or felony offense; Now, Therefore,



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BE IT ORDAINED BY THE CITY OF TACOMA:

That Section 1.12.110 of the Tacoma Municipal Code, relating to severance benefits, is hereby amended as set forth in the attached Exhibit "A."

Passed \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
City Attorney



## EXHIBIT "A"

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### 1.12.110 Other official expenditures.

In addition to the prescribed rates of pay and other allowances provided for in this chapter, officers, employees, and volunteers of the City shall be entitled to the payment of or reimbursement for the following classes of official expenditures:

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H. Whenever the City Manager, the Director of Utilities, or the Public Utility Board determines that, in order to secure or retain key qualified personnel possessing specialized technical or professional skills for unrepresented positions, it is necessary to offer said individuals additional compensation, benefits, or both, then the City Manager, the Director of Utilities, and the Public Utility Board shall each have discretion to authorize the payment of up to an annual total of \$100,000 in additional compensation, benefits, or both. Such compensation, benefits, or both under this provision of this paragraph shall be limited to a maximum of \$15,000 per employee per year; provided, that payment can lawfully be made from funds appropriated in the current biennial budget of the employing department. In addition, the ~~City Manager, City Council, Director of Utilities, and Public Utility Board~~ 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 in the case of the City Manager and Director of Utilities positions, and up to an amount corresponding to one year of salary in the case of the City Council and the Public Utility Board.~~ If the Public Utility Board determines that payment of severance benefits should be authorized as part of an agreement to secure or retain the services of the Director of Utilities, then such agreement shall be initiated by the Public Utility Board, subject to approval by the City Council. An annual report showing the recipients of all severance, compensation, and benefits granted under this provision shall be submitted to the City Council in the month of December of each year. 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 interfere with the employee's ability to perform the duties of the position, acceptance of another position while still employed with the City, or conviction of a gross misdemeanor or felony offense.

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