



## WEEKLY REPORT TO THE CITY COUNCIL

October 3, 2019

Members of the City Council  
City of Tacoma, Washington

**Dear Mayor and Council Members:**

### ITEMS OF INTEREST

1. **The October 9, 2019 Public Utility Board Agenda is attached for your information.** Please note the following items which will be on the October 15<sup>th</sup> and 22<sup>nd</sup> City Council agendas for your consideration.
  - U-11104 – Authorize execution of a letter of agreement negotiated between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit. (10/22/2019)
  - U-11108 – Authorize Tacoma Power to amend and extend the Note Purchase Agreement with Wells Fargo to provide interim financing for capital projects in Tacoma Power's approved capital budget. (10/15/19)
  - U-11109 – Authorize Tacoma Power to i) extend the bond reserve surety policy with Assured Guaranty Municipal, and ii) enact a springing amendment to include the interest subsidy payments received from the federal government in the debt service requirement calculation. (10/15/19)
2. Forwarding the attached **Tacoma Retirement System Quarterly Update** on behalf of Mayor Woodards.

### STUDY SESSION/WORK SESSION

3. This week's **Study Session has been cancelled**, however there will be a Committee of the Whole meeting, Tuesday October 8<sup>th</sup> at 12 pm.

### COMMITTEE OF THE WHOLE

4. The **City Committee of the Whole** Tuesday, October 8, 2019, will be held in Room 16 of the Tacoma Municipal Building North, at Noon. Discussion items will include: (1) **Tideflats Interim Regulations Reauthorization Public Hearing Testimony Summary**; (2) **City Manager's Competency Model**; and (3) **Agenda Review and City Manager's Weekly Report**.

At Tuesday's Study Session, Planning and Development Services staff will provide an **overview of the comments shared at the public hearing on the proposed 6-month extension of the Tideflats Interim Regulations**. The public hearing was conducted at the City Council meeting on October 1, 2019.

As a second item on Tuesday's Committee of the Whole agenda, the **City Council will have the opportunity to participate in a competency card sort exercise to priorities the competencies they value most in a City Manager**.

5. The updated **Tentative City Council Forecast and Consolidated Standing Committee Calendars** are attached for your information.

### **GRANT APPLICATIONS**

6. The City has applied for the following grant:
  - **Increasing Residential Building Capacity E2SHB 1923 Grant** – Funding to develop a Diverse Housing Types and Inclusionary Zoning Implementation Strategy to evaluate options and develop implementation steps for updates to Tacoma growth framework and zoning. The City applied for \$100,000, with a City match requirement of \$50,000, which is earmarked in the current biennial budget.

### **MARK YOUR CALENDAR**

7. You have been invited to the following events:
  - **"Harold G. Moss" Bridge Dedication on Saturday, October 5<sup>th</sup>, 11:00 a.m.**, located on the west side of the 34th Street Bridge, spanning SR7 between East B Street and East D Street.
  - **Hilltop Artists Silent Auction (10:30 a.m.) and Better Futures Luncheon (11:30 a.m.) on Tuesday, October 8<sup>th</sup>**, at the Hotel Murano's Bicentennial Pavilion, located at 1320 Broadway.
  - **Special Short Course on Local Transportation Planning**, held by the Department of Commerce and hosted by the City of Tacoma, on **Thursday, October 10, 2019, 5:30 to 8:00 p.m.**, at Tacoma Municipal Building, Room 243, 747 Market Street. (Free but registration required: <https://www.commerce.wa.gov/serving-communities/growth-management/short-course>).

- **Bates Technical College Groundbreaking for the new Center for Allied Health Education on Friday, October 11<sup>th</sup>, 11:30 a.m. – 12:30 p.m.**, at the Bates Downtown Campus, located at 1101 South Yakima Avenue.
- **Green Tacoma Day—Connect with Nature! on Saturday, October 12<sup>th</sup>, 10:00 a.m. to 1:00 p.m.**, located at various parks and open spaces in Tacoma. More information on locations and how to register at [www.greentacomaday.org](http://www.greentacomaday.org).
- **Short Course on Local Planning preceding the 2019 APA Washington Conference**, held by the Department of Commerce, on **Tuesday, October 15, 2019, 6:15 to 9:15 p.m.**, at the Greater Tacoma Convention Center, 1500 Commerce Street. (Free but registration required: <https://www.commerce.wa.gov/serving-communities/growth-management/short-course>).
- **2019 American Planning Association Washington Annual Conference, Wednesday and Thursday, October 16 and 17, 2019**, at the Greater Tacoma Convention Center, 1500 Commerce Street. (Registration required: <https://www.washington-apa.org/2019-apa-washington-annual-conference>)
- **30<sup>th</sup> Annual Consular Association Reception on October 16<sup>th</sup>, 5:30 – 7:30 p.m.**, at the Tacoma Art Museum, located at 1701 Pacific Avenue.
- **Graduate Tacoma's 2019 Cradle to Career Luncheon on Thursday, October 24<sup>th</sup>, 11:00 a.m. to 1:00 p.m.**, at the Greater Tacoma Convention Center, located at 1500 Commerce Street.
- **Tacoma Community House Grand Opening on Thursday, October 24<sup>th</sup>, 2:30 – 4:30 p.m.**, at 1314 South L Street.
- **South Sound Military & Communities Partnership Elected Official Council Event on Thursday, November 14<sup>th</sup>, 7:00 to 9:30 a.m.**, at the Eagles Pride Golf Course located at 116 Interstate 5.

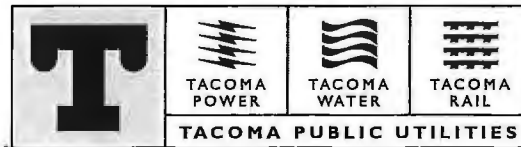
- **Citizens for a Healthy Bay *Stand for Our Sound* Fall Fundraiser on Thursday, November 14<sup>th</sup>**, at the Pacific Seas Aquarium at the Point Defiance Zoo, located at 5400 North Pearl Street.

Sincerely,



Tadd G. Wille  
Deputy City Manager

EAP:crh  
Attachments



**City of Tacoma**  
**Public Utility Board Meeting**  
**October 9, 2019; 6:30 p.m.**  
**Tacoma Public Utilities – Ground Floor Auditorium**  
**3628 S 35<sup>th</sup> Street, Tacoma WA 98409**

**Call to Order**

**Roll Call**

- A. Approve Minutes of Previous Meetings**
- B. Comments by the Public**
- C. Consent Agenda**
- D. Regular Agenda**

**D-1 Resolution U-11103 – Award contracts and approve purchases:**

1. Award city-wide contract to Bridgestone Americas Tire Operations, LLC for tires, tubes, and services (\$3,900,000, plus applicable taxes) [Patsy Best, Payment and Procurement Manager];
2. Increase contract with Stantec Consulting Services, Inc., for remaining Phase 1 and subsequent Phase II Owner's Engineer services for Alder Unit 11 Rebuild Design Build Project (\$398,000, plus applicable taxes. Cumulative total \$558,540, plus applicable taxes) [David Wagner, Generation Project Manager];
3. Award contract to CE Power Engineered Services, LLC, for the Mayfield Unit 42-44 Generator Breaker Replacement Project (\$518,640, plus applicable taxes) [Eric Hoffman, Power Engineer];
4. Increase contract with Potelco, Inc., and Wilson Construction Company for Transmission and Distribution augmented crew services (\$1,200,000 and \$300,000, plus applicable taxes, respectively. Cumulative totals \$3,220,547 and \$600,000, respectively. Cumulative contract total \$4,120,547.50, plus applicable taxes) (The cumulative total includes Michels Corporation, which will remain at the previously approved amount of \$300,000) [Joe Parris, T&D Contract Program Manager];
5. Award contract to Cerium Networks, Inc., for the purchase of hardware, software, maintenance support, and professional services to replace existing virtual machine environments (\$719,546.82, plus applicable taxes, for a term of one year plus five years of support) [Terry Gifford, Assistant Power Section Manager];
6. Increase contract with CCS Washington Janitorial, Inc., dba Commercial Cleaning Systems, Inc., for janitorial services and supplies for the Tacoma Rail facility (\$90,000, plus sales tax. Cumulative total \$590,000, plus sales tax) [Dan Knouff, Management Analyst].

**Tacoma Power**

- D-2 Resolution U-11104 – Authorize execution of a letter of agreement negotiated between the City of Tacoma and the International Brotherhood of Electrical Workers, Local 483, Tacoma Power Unit (to Council; October 22, 2019).**

- D-3 Resolution U-11105 – Approve declaration of surplus of the Stadium, Pearl, and Cowlitz Substations oil circuit breakers, and 438 overhead and pad-mounted transformers no longer needed for Tacoma Power’s current or future needs and authorize the sale of equipment to the highest responsive bidder. [Sean Veley, Power Supervisor].

(Per RCW 35.94.040, a public hearing on declaration of surplus will be held).

- D-4 Resolution U-11106 – Authorize execution of a contract between Tacoma Power and Bradken, Inc., for a customer-funded project that provides power to the customer’s new manufacturing facility and provides power feed improvements for backup capacity [Rich Barritia, Power T&D Supervisor].
- D-5 Resolution U-11107 – Adopt Tacoma Power’s ten-year, 2020/2029 achievable economic conservation potential of 233,660 MWh and a two-year 2020/2021 conservation target of 46,732 MWh. [Rich Arneson, Senior Conservation Planner].
- D-6 Resolution U-11108 – Authorize Tacoma Power to amend and extend the Note Purchase Agreement with Wells Fargo to provide interim financing for capital projects in Tacoma Power’s approved capital budget. [Bill Berry, Power Section Manager] **(to Council October 15, 2019).**
- D-7 Resolution U-11109 – Authorize Tacoma Power to i) extend the bond reserve surety policy with Assured Guaranty Municipal, and ii) enact a springing amendment to include the interest subsidy payments received from the federal government in the debt service requirement calculation . [Bill Berry, Power Section Manager]. **(to Council October, 15, 2019)**

#### **H. Reports of the Director**

H-1 August 2019 cash projections

H-2 August 2019 financials for Power, Water, Rail, Fleet, Self-Insurance Fund

- Recap of TPU’s United Way campaign
- Advanced Meter Project – Smart Water [Corey Bedient, Water Division Mgr]



The City of Tacoma does not discriminate on the basis of disability in any of its programs, activities, or services. To request this information in an alternative format or to request a reasonable accommodation, please contact the TPU Director's Office at 253-502-8201. TTY or speech to speech users please dial 711 to connect to Washington Relay services.



TO: Members of the City Council

FROM: Mayor Victoria Woodards, Chair of Retirement Board of Administration

SUBJECT: Retirement System Quarterly Update

DATE: August 8, 2019

## THE TACOMA EMPLOYEES' RETIREMENT SYSTEM

Dear City Council Members,

This information is being provided to meet the requirement for quarterly reports on the investment strategy of the Tacoma Employees' Retirement System (TERS).

TERS is a defined benefit plan that is offered to eligible employees of the City and certain member agencies. There are currently around 3000 active and 3000 retired/deferred members. The Plan is funded by employee contributions of 9.66% of pay, employer contributions of 11.34% of pay, and investment returns. Total fund assets were approximately \$1.8 billion on June 30, 2019.

The fund earned an investment return of 7.05% for the one year period ended June 30, 2019 which fell short of the Plan's Custom Benchmark return of 7.50%.

Annualized net-of-fee returns ended June 30, 2019				
	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
TERS	7.1%	8.1%	6.1%	10.1%
Custom Benchmark	7.5	8.4	5.8	9.9

TERS performance has lagged the Fund's custom benchmark over one- and three-year periods and has been in line with that benchmark over five and ten-year periods; performance has also been competitive with performance of peer public funds over time.

Volatile financial market returns have led the Fund to outperform the actuarial assumed long-term rate of return over one-year, three-year and ten-year periods, while the performance fell short of the actuarial rate over a five-year horizon.

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The TERS fund assets are diversified among US and non-US stocks, bonds, public and private real estate, real assets and private equity.

Asset allocation as of June 30, 2019 was as follows:

	<u>\$ Millions</u>	<u>% Percent</u>
Global Equity	785.2	43.6
Private Equity	129.3	7.2
Fixed Income	616.7	34.3
Real Estate	155.8	8.7
Real Assets	102.4	5.7
Cash	10.6	0.5
	<u>\$1,800.0</u>	<u>100.0%</u>

The Board regularly monitors the asset allocation and investment policy to balance the return/risk profile of the fund. All assets are overseen by professional investment managers, which are monitored by staff and our investment consultant. The Board currently has contracts with fifteen investment managers, providing for a diverse and sound investment strategy.

TERS maintains a continued contractual relationship with Wilshire Consulting. Wilshire is an expert pension and investment consultant that has assisted the Board by providing investment recommendations to the Board.

Please visit the Tacoma Employees' Retirement System Website to access Board meeting agendas, minutes and other useful information at [www.cityoftacoma.org/retirement](http://www.cityoftacoma.org/retirement)

**TERS Board of Administration**

**Victoria Woodards**, Mayor and Chair of the Board

**Andy Cherullo**, Finance Director

**Tadd Wille**, Assistant City Manager

**Jim Sant**, Tacoma Public Utilities Deputy Director

**Samuel Benscoter**, Employee Representative

**Gordon Cavanaugh**, Employee Representative

**Jonathan Schlaudraff**, Employee Representative

**Kim Moore**, Retired Employee Representative

**Matthew Hedges**, Citizen Representative

cc: Tim Allen, Chief Investment Officer and Retirement Director



**City of Tacoma 2019  
City Council Forecast Schedule**

Date	Meeting	Subject	Department	Background
October 8, 2019	Special Committee of the Whole Meeting (TMBN 16, Noon) **Replaces Study Session	Tideflats Interim Regulations Reauthorization Public Hearing Testimony Summary	PDS	Summary of comments from the public hearing related to the Interim Tideflats Regulations reauthorization. First reading of the ordinance is schedule for that evening.
		City Manager's Competency Model	Council/HR	City Council Members will have an opportunity to participate in a competency card sort exercise to prioritize the competencies they value most in a City Manager.
		City Council Meeting (TMB Council Chambers, 5:00 PM)	PDS	
October 15, 2019	City Council Study Session (TMB Council Chambers, Noon)	Federal Legislative Update	CMO/Simon & Co	Tentative date for a briefing from our Federal Lobbyist in Washington D.C.
		Proposed Amendments to TMC Chapter 12.08	ESD	Overview/Summary of proposed changes to Chapter 12.08 of the Tacoma Municipal Code (Sanitary Sewer/Stormwater Code)
		Third Quarter Financial Report	OMB	3rd Quarter Financial Update with an actuals report.
		City Council Meeting (TMB Council Chambers, 5:00 PM)	PDS	
October 22, 2019	Joint Council/Public Utility Board Study Session (TMBN 16, Noon)	Click! Updates	CAO	City Council will be briefed on the proposed Surplus Declaration and Click! agreement.
		Cushman Substation and North 21st Street Tree Updates.	TPU/PDS	Presentation on the planning effort for the Cushman Substation and an update on North 21st Street Trees.
		Classification and Compensation Study Update	HR	
		LEAP/SBE Workforce Development & Equity Contracting Issues	CED	
		City Council Meeting (TMB Council Chambers, 5:00 PM)	ESD	

**City of Tacoma 2019  
City Council Forecast Schedule**

Date	Meeting	Subject	Department	Background
<b>October 29, 2019</b>	City Council Study Session (TMB Council Chambers, Noon)	Department of Ecology's Tacoma Smelter Plume Update	WSDOE/PDS	WA Department of Ecology will be providing an update on the Tacoma Smelter Plume to include progress of soil samplings, yard cleanups and outreach efforts with TPC Health Dept.
		Ensuring Safe, Clean and Sanitary Downtown	ESD/TPD	
	City Council Meeting (TMB Council Chambers, 5:00 PM)	Public Hearing on the regarding proposed Click! Surplus Declaration	CAO	
		Final reading of the Environmental Services Proposed Surcharge for Commingled Recycling Ordinance and a Special Project Resolution	ESD	Resolution related to special project to provide education and outreach around waste reduction, recycling contamination issues, and how the residential recycling program is changing.

**City of Tacoma 2019  
City Council Forecast Schedule**

Date	Meeting	Subject	Department	Background
<b>November 5, 2019</b>	City Council Study Session (TMB Council Chambers, Noon)	Mid-Biennium Budget Modification Recommendations	OMB	
	City Council Meeting (TMB Council Chambers, 5:00 PM)	Click! Resolutions - Declaring Surplus and Rainer Connect Agreement (tentative)	CAO	
<b>November 12, 2019</b>	City Council Study Session (TMBN 16, Noon)	Quarterly Affordable Housing Action Strategy Plan Update	CED/CMO	Quarterly update on implementation of the Affordable Housing Action Strategy (AHAS) and actions taken by each of the 12 tactical action teams.
		Tacoma Dome Link Extension Update	PDS	Staff from PDS and Sound Transit will provide an update, including recent Sound Transit Board action and the next steps as the projects moves into the environmental review phase.
	City Council Meeting (TMB Council Chambers, 5:00 PM)			
<b>November 19, 2019</b>	City Council City Council Study Session (TMBN 16, Noon)	Neighborhood Council Program Review	NCS	
		Emergency Declaration on Homelessness Extension	NCS	Request for Council authorization to extend the Emergency Declaration on Homelessness to December 31, 2020.
	City Council Meeting (TMB Council Chambers, 5:00 PM)			
<b>November 26, 2019</b>	<b>CANCELLED</b>			

Community Vitality and Safety			
<b>Committee Members:</b> Blocker (Chair), Beale, Thoms, Ushka, Alternate-Hunter <b>Executive Liaison:</b> Linda Stewart; Staff Support - Bucoda Warren		<b>2nd and 4th Thursdays</b> <b>4:30 p.m.</b> <b>Room 248</b>	<b>CBC Assignments:</b> • Citizen Police Advisory Committee • Human Services Commission • Human Rights Commission • Housing Authority • Commission on Disabilities • Library Board • Tacoma Community Redevelopment Authority
<b>October 10, 2019</b>	Community Engagement (Informational)	Tanisha Jumper, Director, Media and Communications; Kenny Coble, Community Engagement Manager	
	Neighborhood and Community Services Community Mobilization Contracts (Informational)	Allyson Griffith, Neighborhood Enhancement Team Manager, NCS; and Kristin Ely, Management Analyst, NCS	Information update on the status of community mobilization efforts funded by Neighborhood and Community Services contracts.
<b>Future</b>			
<b>October 24, 2019</b>	Project Peace (Informational)	Ed Wade, Assitant Chief, Tacoma Police Department; and Korbett Mosesly, Management Analyst, OEHR	An update of the Project Peace youth outreach meetings and executive team retreat.
	Ordinance 28498 - Zoning Code for Temporary Shelters	Peter Huffman, Planning and Development Director; Linda Stewart, Neighborhood and Community Services Director	
<b>November 14, 2019</b>	Citizen Police Advisory Committee Interviews	Doris Sorum, City Clerk	5 vacancies
	Chronic Nuisance Code Implementation (informational)	Danielle Larson, Tax & License Manager and Keith Echterling, Assistant City Attorney	

<b>Economic Development Committee</b>			
<b>Committee Members:</b> Thoms (Chair), Hunter, McCarthy, Ushka <b>Alternate-Beale</b> <b>Executive Liaison:</b> Tadd Wille; <b>Staff Support -</b> Lynda Foster		<b>2nd, 4th, and 5th Tuesdays</b> <b>10:00 a.m.</b> <b>Room 248</b>	<b>CBC Assignments:</b> •Tacoma Arts Commission •Greater Tacoma Regional Convention Center Public Facilities District •Foss Waterway •City Events and Recognition Committee
<b>October 8, 2019</b>	Cancelled		
<b>Future</b>			
<b>October 22, 2019</b>	Commercial Office Incentive	Gloria Fletcher, Business Development Manager, CED	This presentation will provide a summary of and recommendations for improving the sustainable business environment in Tacoma.
<b>October 29, 2019</b>	Green economy policy recommendations	Gloria Fletcher, Business Development Manager, CED	Third presentation on the Tacoma green job economy, with staff recommendations for policy updates
	TPU Economic Development Strategic Plan	Michael Catsi, TPU's Economic Development Manager	Continuing the conversation from the EDC meeting on Sept. 24 on the new TPU Economic Development Strategic Plan, outlining initiatives and priorities.



**Government Performance and Finance Committee**

<b>Committee Members:</b> Ibsen (Chair), Blocker, Hunter, Mello, Alternate-Thoms <b>Executive Liaison:</b> Andy Cherullo; Staff Support - Latasha Ware		<b>1st and 3rd Tuesday</b> <b>10 a.m.</b> <b>Room 248</b>	<b>CBC Assignments:</b> •Public Utility Board •Board of Ethics •Audit Advisory Board •Civil Service Board
<b>October 15, 2019</b>	State Auditor	Linda Mastin, State Auditor	2017 exit accountability audit, 2018 exit federal & financial audit, and 2018 entrance accountability audit
<b>Future</b>			
<b>November 5, 2019</b>	Title 6 in response to HB1403	Danielle Larson, Tax & License Manager	HB 1403 makes changes to the service apportionment tests, definitions and alternative apportionment process effective January 1, 2020. HB 1059 changes the due date for annual business & occupation tax filers to April 15 effective January 1, 2021
	Civil Service Board	Becky Summers	
<b>November 19, 2019</b>	Board of Ethics Interviews	Doris Sorum, City Clerk	2 vacancies

**Infrastructure, Planning and Sustainability Committee**

<b>Committee Members:</b> Mello (Chair), Beale, Ibsen, McCarthy, Alternate-Hunter <b>Executive Liaison:</b> Kurtis Kingsolver; <b>Staff Support -</b> Rebecca Boydston		<b>1st and 3rd Wednesdays</b> <b>4:30 p.m.</b> <b>Room 248</b>	<b>CBC Assignments:</b> •Sustainable Tacoma Commission •Planning Commission •Landmarks Preservation Commission •Board of Building Appeals •Transportation Commission
<b>October 16, 2019</b>	Code Updates for Electric Vehicle Adaptation	Kristi Lynett, Office of Environmental Policy and Sustainability	
<b>Future</b>			
<b>November 6, 2019</b>	Sustainable Tacoma Commission Interview	Doris Sorum, City Clerk	2 positions open
	Electric Vehicle Updates	Lisa Rennie, Senior Power Analyst, Tacoma Public Utilities	A presentation from Tacoma Public Utilities regarding recent State legislation and related programming for electric vehicle adoption.
	Urban Forestry Management Plan	Mike Carey, Office of Environmental Policy and Sustainability	Present data collected of Tacoma's urban forest and benchmark with other communities
<b>November 20, 2019</b>	Landmarks Preservation Commission Interviews	Doris Sorum, City Clerk	
	Scooter and Bike Share	Jennifer Kammerzell, Principal Engineer, Public Works	
	Urban Forestry Management Plan	Mike Carey, Office of Environmental Policy and Sustainability	Present Urban Policy recommendations that would be incorporated into a resolution for Council Consideration on December 3, 2019