



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street Tacoma, WA 98402

Conference Room 248

June 05, 2018

10:00 AM

Chair Anders Ibsen, Vice Chair Ryan Mello,
Keith Blocker, Lillian Hunter, Justin Camarata(alternate)

JOINT MEETING WITH THE AUDIT ADVISORY BOARD

Call To Order

Chair Ibsen called the joint meeting to order at 10:00 a.m.

Present: 4 - Blocker, Hunter, Ibsen and Mello

Audit Advisory Board Members Present: 1 - Jones

Audit Advisory Board Members Absent: 2 - Ball and Larkin

Briefing Items

1. [18-0593](#) Exit Conference for Utilities [Olga Darlington, CPA, Moss Adams]

At approximately 10:00 a.m., Susan Calderon, Assistant Director, Finance, made opening remarks and introduced Olga Darlington, Certified Public Accountant, Moss Adams. Ms. Darlington presented the auditor's report on the financial statements for the year 2017, and the responsibility under auditing standards. She provided areas of audit emphasis noting internal control environment, treasury, management estimates, capital assets, net pension liability, and debt activity. She then presented the required audit communications, noting planned scope and timing of audit, significant accounting policies, accounting estimates, consultation with other accountants, disagreements with management, and potential effect of any significant risks and exposures. Ms. Darlington concluded with passed audit adjustments and new accounting standards.

Discussion ensued regarding consistency in comparison to historical audits and proposed adjustments.

2. [18-0600](#) Tacoma Employees' Retirement System Environmental, Social and Governance Considerations [Timothy Allen, Retirement Director/Chief Investment Officer]

At approximately 10:09 a.m., Timothy Allen, Retirement Director and Chief Investment Officer, Tacoma Employees' Retirement System (TERS), made opening remarks and gave an overview of TERS. Mr. Allen reviewed the issues, noting employer and employee contributions, investments, expenses, and benefits. He presented on fiduciary duties, noting duty of loyalty, duty of care, and the duty of prudence. He described the fossil fuel investments in the plan, noting timelines of investment; including private investments, public stocks, bonds, and real estate.

Discussion ensued regarding public and private investment comparisons, fund structure, relationship building and networking with peers of similar pension funds, communications to investment staff and the TERS board, future purchases and investments, current commitments, harm of fossil fuels, long-term views in investing, and alternatives to fossil fuels. Discussion concluded on next steps.

3. [18-0592](#) Charter Section 4.17 Shared Services - Media and Communications, Government Relations [Bill Fosbre, City Attorney; Katie Johnston, Manager, Office of Management and Budget]

At approximately 10:36 a.m., Bill Fosbre, City Attorney, made opening remarks and gave a background on Section 4.17 of the City Charter regarding shared services, and reviewed Resolution No. 37550 implementing Section 4.17. Mr. Fosbre reviewed the four areas of services the Department of Public Utilities (DPU) authorized to offer or purchase, including operating stand-alone information technology systems independent of the services offered by General Government (GG), managing collection and billing related to customer services for GG and DPU customers, retaining lobbying services independently of GG lobbying services, and managing facilities separately from GG facilities. He concluded with City Council's authority under the City Charter.

Discussion ensued regarding provisions in the original Resolution, current services delivered to all departments in the City, shared and separated services between GG and DPU, and separate collective bargaining agreements.

Topics for Upcoming Meetings

4. [18-0606](#) June 19, 2018 - TBD

Rebecca Boydston, Committee Liaison, stated the next meeting on June 19, 2018 has no agenda items set at this time.

Other Items of Interest

There were no other items of interest.

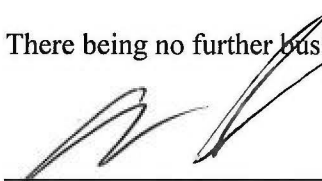
Public Comment

Public comment was heard from:

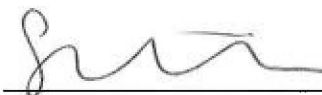
1. Bill Baarsma, former Mayor, City of Tacoma, speaking on City Charter Section 4.17.
2. Beth Doglio, Washington State Representative, speaking on fossil fuel investment.
3. Michael Lafreniere, Resident, speaking on City Charter Section 4.17.
4. Clark Mather, Community and Government Relations Manager, Tacoma Public Utilities, speaking on City Charter Section 4.17.
5. Randy Lewis, Government Relations Officer, Government Relations, speaking on City Charter Section 4.17.
6. Monique Trudnowski, Chair, Public Utility Board, speaking on City Charter Section 4.17.

Adjournment

There being no further business, the meeting was adjourned at 11:16 a.m.



Anders Ibsen, Chair



Stacy Manthou, City Clerk's Office