Article IV Public Utilities

Powers and Duties of the Public Utility Board

Section 4.15 — The Board shall have the authority to secure the services of consulting engineers, accountants, special council, and other experts. At intervals not exceeding ten years the Council shall, at the expense of the utilities involved, cause a general management survey to be made of all utilities under the jurisdiction of the board by a competent management consulting or industrial engineering firm, the report and recommendations of which shall be made public; provided, that the first survey shall be made within three years of the effective date of this charter.

Amend the section to read as follows:

Article IV Public Utilities

Powers and Duties of the Public Utility Board

Section 4.15 — The Utility Board shall have the authority to secure the services of consulting engineers, accountants, special council, and other experts. At intervals not exceeding ten five years the City Council shall, at the expense of the utilities involved, cause a general management survey performance audit to be made of all selected utilities or related operations under the jurisdiction of the Utility Board, by a competent management consulting or industrial engineering firm. The City Council shall determine the nature and extent of the performance audit and said audit shall be conducted by a competent firm of certified public accounts and management analysts in accordance with Generally Accepted Government Auditing Standards (GAGAS). The report and recommendations of which shall be made public and be forwarded to the Utility Board and the City Council for action, provided, that the first survey audit shall be made within three years of the effective date of this charter.

Reasons for change:

"Performance Audit" is defined as an independent examination of the systems and procedures of a government or non-profit entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources. The audit is performed under the standards of the Generally Accepted Government Auditing Standards (GAGAS) maintained by the federal General Accounting Office (GAO). The "management survey" is more of a management performance measurement that may include a broad variety of activities that do not meet the rigor of an independent external assessment. A more rigorous examination will maintain and increase the trust in Tacoma’s Public Utilities. The idea is not to find fault but to identify possible ways of doing the work of the utility more efficiently and with greater transparency.
Reasons against change:

The Tacoma Public Utilities are considered to be a well-managed, high functioning and effective organization responsive to its customers. A performance audit may not be needed or would not find enough efficiencies to justify the costs.

Performance audits are complex and in depth, requiring the auditor to have a planned scope of work used during the process. This planning and the increase in utility staff time to comply with auditor requests may contribute to increased costs.

References used: Wikipedia, the General Accounting Office and INTOSAI, the International Association of Supreme Audit Institutions.

Respectfully submitted by Dr. Charles Horne and Mark P. Martinez
AMENDMENT XX

CURRENT CHARTER LANGUAGE:
Section 4.18 – The Board shall appoint a Director of Utilities who shall:

(a) Be selected on the basis of his executive and administrative qualifications;
(b) Be appointed for an indefinite period and subject to removal by the Board;
(c) Serve as the chief executive officer of the Department of Public Utilities, responsible directly to the Board.

RECOMMENDED LANGUAGE:
Section 4.18 – The Board shall appoint with confirmation by the council a Director of Utilities who shall:

(a) Be selected on the basis of his executive and administrative qualifications;
(b) Be appointed though an employment contract as set forth by the Board and consistent with the city of Tacoma employment scale on indefinite period and subject to removal by the Board;
(c) Serve as the chief executive officer of the Department of Public Utilities, responsible directly to the Board.

RATIONALE FOR CHANGE:
The TPU Board is an unelected board with the power to appoint an employee to oversee a multi-million dollar public agency. Allowing the Council the ability to confirm this appointment will allow for more accountability on the TPU Board, TPU and for the citizens of Tacoma. The ultimate liability falls on the Citizens of this city through the elected body of our Government, not TPU. Because of that this small, pragmatic change is needed.

Against:
Article IV – Public Utilities (current language)

Powers and Duties of the Public Utility Board

Section 4.17 – The Department of Public Utilities shall use the services of the City’s General Government finance department, purchasing agent, law department, human resources/personnel department, and other City departments, offices, and agencies, except as otherwise directed by the City Council. (Amendment approved by vote of the people November 3, 1992)

Recommend no changes be made to Section 4.17

Reasons for no change:

The Tacoma Public Utilities are a department of the City of Tacoma. Use of City resources for administrative functions lessens the duplication of back office functions like HR, finance and purchasing, helping lower costs to both taxpayers and rate payers.

Qualified personnel can move more freely between city departments, thereby allowing for more career pathways and helping to retain quality employees. Employee benefits costs are expected to be lower due to the increased size of the risk pool.

Reasons to consider changes:

The Tacoma Public Utilities are rate payer based and don’t function like a normal government entity. Controlling back office functions could allow for a more nimble and responsive organization.

Respectfully submitted by: Dr. Charles Horne and Mark P. Martinez
ARTICLE IV
Public Utilities

Amendment to 4.12—Powers and Duties of the PUB (Major)

CURRENT CHARTER LANGUAGE:

The Board shall submit an annual budget to the Council for approval, in the manner prescribed by state law.

RECOMMENDED CHARTER LANGUAGE:

The Board shall submit an annual budget to the Council for approval, in the manner prescribed by state law. The Council may adopt, change, alter, amend, add to or reject the budget and return it to the Board until agreement can be reached. Agreement must be reached within forty-five days of the first submission.

RATIONALE FOR CHANGE:

- Legal interpretation of the current language does not allow the Council to do anything but approve or disapprove. This allows greater flexibility.

- Change requested by Council members.

RATIONALE AGAINST CHANGE:

- May set the timeline back for budget submission to insure completion before fiscal year.

- Change not requested by PUB.

THE PUBLIC UTILITIES SUB-COMMITTEE RECOMMENDS:

[Handwritten notes and votes]
AMENDMENT XX

CURRENT CHARTER LANGUAGE:
Section 4.18 – The Board shall appoint a Director of Utilities who shall:

(a) Be selected on the basis of his executive and administrative qualifications;
(b) Be appointed for an indefinite period and subject to removal by the Board;
(c) Serve as the chief executive officer of the Department of Public Utilities, responsible directly to the Board.

RECOMMENDED LANGUAGE:
Section 4.18 – The Board shall appoint with confirmation by the council a Director of Utilities who shall:

(a) Be selected on the basis of his executive and administrative qualifications;
(b) Be appointed through an employment contract as set forth by the Board and consistent with the city of Tacoma employment scale for indefinite period and subject to removal by the Board;
(c) Serve as the chief executive officer of the Department of Public Utilities, responsible directly to the Board.

RATIONALE FOR CHANGE:
The TPU Board is an unelected board with the power to appoint an employee to oversee a multi million dollar public agency. Allowing the Council the ability to confirm this appointment will allow for more accountability on the TPU board, TPU and the for the citizens of Tacoma. The ultimate liability falls on the Citizens of this city through the elected body of our Government, not TPU. Because of that this small, pragmatic change is needed.

Against:
AMENDMENT

CURRENT CHARTER LANGUAGE:
Section 4.10 – The Public Utility Board, subject only to the limitations imposed by this charter and the laws of this state, shall have full power to construct, condemn and purchase, acquire, add to, maintain, and operate the electric, water, and belt line railway utility systems.

RECOMMENDED LANGUAGE:
Section 4.10 – The Public Utility Board, subject only to the limitations imposed by this charter and the laws of this state, shall have full power to construct, condemn and purchase, acquire, add to, maintain, and operate the electric, water, surface water, waste water, solid waste and belt line railway, solid waste, utility systems. The Board shall be re-named the Environmental Services and Utilities Board, and the department it oversees shall be re-named the Environmental Services and Utilities Department, unless the City Council, by ordinance, determines a different phrasing.

RATIONALE FOR CHANGE: Currently three utilities - electric, water and belt line railway - are in a department called Tacoma Public Utilities, and three others - surface water, waste water and solid waste - are in a department known as Environmental Services. This change combines all six utilities in one department, re-named Environmental Services and Utilities.

Our rationale has four dimensions.

First, we see immediate and potential synergies including coordination of surface and underground repair and replacement, integrated billing, shared rolling stock and cross-training for skilled personnel.

Second, grouping all utilities will simplify and clarify government services for the public.

These two benefits drive the combination of services, but don’t suggest where the combined services should reside: in General Government, or under the guidance of the Utility Board.

We believe the disruption and switching costs are significantly reduced moving Environmental Services into TPU rather than the reverse. Among these switching costs are possible changes in bond ratings, negotiations with bond holders, with state regulatory agencies and with public and private power suppliers including Bonneville Power Administration, and possible re-negotiation of agreements with non-Tacoma customers. This is the third dimension of our rationale.

Finally, by changing the name of the new department, we intend to signal the on-going importance of environmental considerations and achievements in all Tacoma’s operations.
Please tell me if you have a favorable or unfavorable opinion of the following organizations. If you have never heard of one, please just say so.

[BEFORE EACH: Do you have a strongly favorable, somewhat favorable, somewhat unfavorable, or strongly unfavorable opinion of (QX)]]

(IF RESPONSE IS “Don’t know/Not Sure” ASK FOLLOWUP: Have you heard of (QX) but don’t know enough to rate them, or have never heard of (QX)?)

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<th>(RANDOMIZE)</th>
<th>Strongly favorable</th>
<th>Somewhat favorable</th>
<th>Somewhat unfavorable</th>
<th>Strongly unfavorable</th>
<th>Heard of, Can’t rate</th>
<th>Never Heard</th>
<th>Favorable</th>
<th>Unfavorable</th>
<th>Fav Ratio</th>
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<tr>
<td>9. Tacoma Public Utilities</td>
<td>29%</td>
<td>49%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
<td>1%</td>
<td>78%</td>
<td>15%</td>
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<td>10. Puget Sound Energy</td>
<td>19%</td>
<td>44%</td>
<td>7%</td>
<td>6%</td>
<td>22%</td>
<td>3%</td>
<td>63%</td>
<td>12%</td>
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<tr>
<td>11. Century Link</td>
<td>9%</td>
<td>28%</td>
<td>14%</td>
<td>11%</td>
<td>31%</td>
<td>7%</td>
<td>37%</td>
<td>25%</td>
<td>1.5: 1</td>
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<tr>
<td>12. Tacoma City Government</td>
<td>11%</td>
<td>44%</td>
<td>15%</td>
<td>11%</td>
<td>17%</td>
<td>3%</td>
<td>55%</td>
<td>25%</td>
<td>2.2: 1</td>
</tr>
<tr>
<td>13. Verizon Cellular</td>
<td>13%</td>
<td>29%</td>
<td>11%</td>
<td>9%</td>
<td>34%</td>
<td>4%</td>
<td>42%</td>
<td>20%</td>
<td>2.1: 1</td>
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(END RANDOMIZE)

Please tell me how you think the City of Tacoma is doing in each of the following areas. Use a scale of excellent, good, only fair, or poor. If you aren’t sure one way or the other, please just say so.

[BEFORE EACH: How would you rate (QX)? Would you say excellent, good, only fair, or poor?]

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<th>(DO NOT RANDOMIZE)</th>
<th>Excellent</th>
<th>Good</th>
<th>Only Fair</th>
<th>Poor</th>
<th>Don’t Know</th>
<th>Positive</th>
<th>Negative</th>
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<td>14. the job Tacoma City government is doing overall</td>
<td>3%</td>
<td>40%</td>
<td>39%</td>
<td>11%</td>
<td>8%</td>
<td>43%</td>
<td>50%</td>
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<td>15. the job the City does delivering services efficiently</td>
<td>6%</td>
<td>48%</td>
<td>30%</td>
<td>8%</td>
<td>8%</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>16. the job the City does focusing on the priorities that matter most to you</td>
<td>3%</td>
<td>33%</td>
<td>35%</td>
<td>22%</td>
<td>8%</td>
<td>36%</td>
<td>56%</td>
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<tr>
<td>17. The job the City does budgeting and handling its finances</td>
<td>1%</td>
<td>21%</td>
<td>33%</td>
<td>29%</td>
<td>17%</td>
<td>22%</td>
<td>61%</td>
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