



# Board Workshop

January 30 – 31, 2019



# Introduction to LRI

- Governance
- Strategic Planning
- Leadership Development
- Core Process Improvement
- Performance Measurement
- Change Management



# Interview Process

## We interviewed:

- 5 Board members
- TPU Director and 5 executive staff
- Mayor, City Manager
- 3 Council members
- 2 city attorneys



# Interview Questions

- What do you see as the strengths in the current workings of TPU?
- What needs to be improved?
- What potential solutions do you see?
- What topics should we address in our retreat?



# Strengths from City Perspective

- Best working relationship we've had in 7 years
- Jackie is super visible and connected.
- Jackie's connecting with TPU employees and the Council.
- City manager and Jackie communicate well.
- Jackie's openness to the city's equity initiative.
- Jackie is committed to is visibility in the community and reaching out to stakeholders.



# Areas to Improve from City Perspective

- Clarify roles of City Council and Board.
- Meet more on a regular basis. Talk about issues before they become issues. Be transparent about everything.
- Agree on goals and performance measures for TPU.
- Develop shared legislative agenda and approach.
- Develop stakeholder processes that ensure relevant voices are heard.
- Recognize that future rate increases need strong justification.

# Strengths from TPU Board Perspective

- Good relationships among Board members.
- Jackie's brought new positive energy and clear-headedness.
- Attention to building trust, building relationships with the city, with customers outside the city, with the Board, with the staff.
- Better management and alignment between TPU and the City e.g. government affairs.
- Jackie has introduced a good process for Click. Enabled us to move forward.

# Areas to Improve from TPU Board Perspective

- Clarify role of Board and City Council.
- Clarify how Council, Board set goals for Director.
- Clarify rules of the road e.g. when Board members ask questions how deep can they go in the organization.
- Board members aren't sure their direction is always heard.
- Clarify work plan for 2019.





# Strengths from TPU Staff Perspective

- The Board has been a great supporter of TPU. Its stability enables TPU to look long term.
- Stronger relationships with City.
- Board members work well together, they listen to each other, they work toward consensus.
- Jackie's leadership has brought new level of leadership, positive energy, and collaboration to issues.
- Board and Council are on the same page with a path forward for Click.



# Areas to Improve from TPU Staff Perspective

- Clarify role of Board, of Board members, of Director.
- Develop rules of engagement for working effectively with City Council.
- Address shared services.
- Assure effective mechanisms, processes for gathering stakeholder input.
- Figure out how to tell TPU's story more effectively.



# Discuss the Principles of Effective Board Governance



# Principles of Effective Board Governance

- The Board steps back from trying to manage how things get done and focuses on defining desired results.
- The Board governs through the executive director.
- The Board speaks as one via written policies.



# Principles of Board Governance

- The policy governs.
- The director interprets the Board's SD policies, using her prudent judgment.
- If the Board disagrees with the interpretation, it may revise its policies or provide the director with additional guidance by modifying the policy.



# Principles of Board Governance

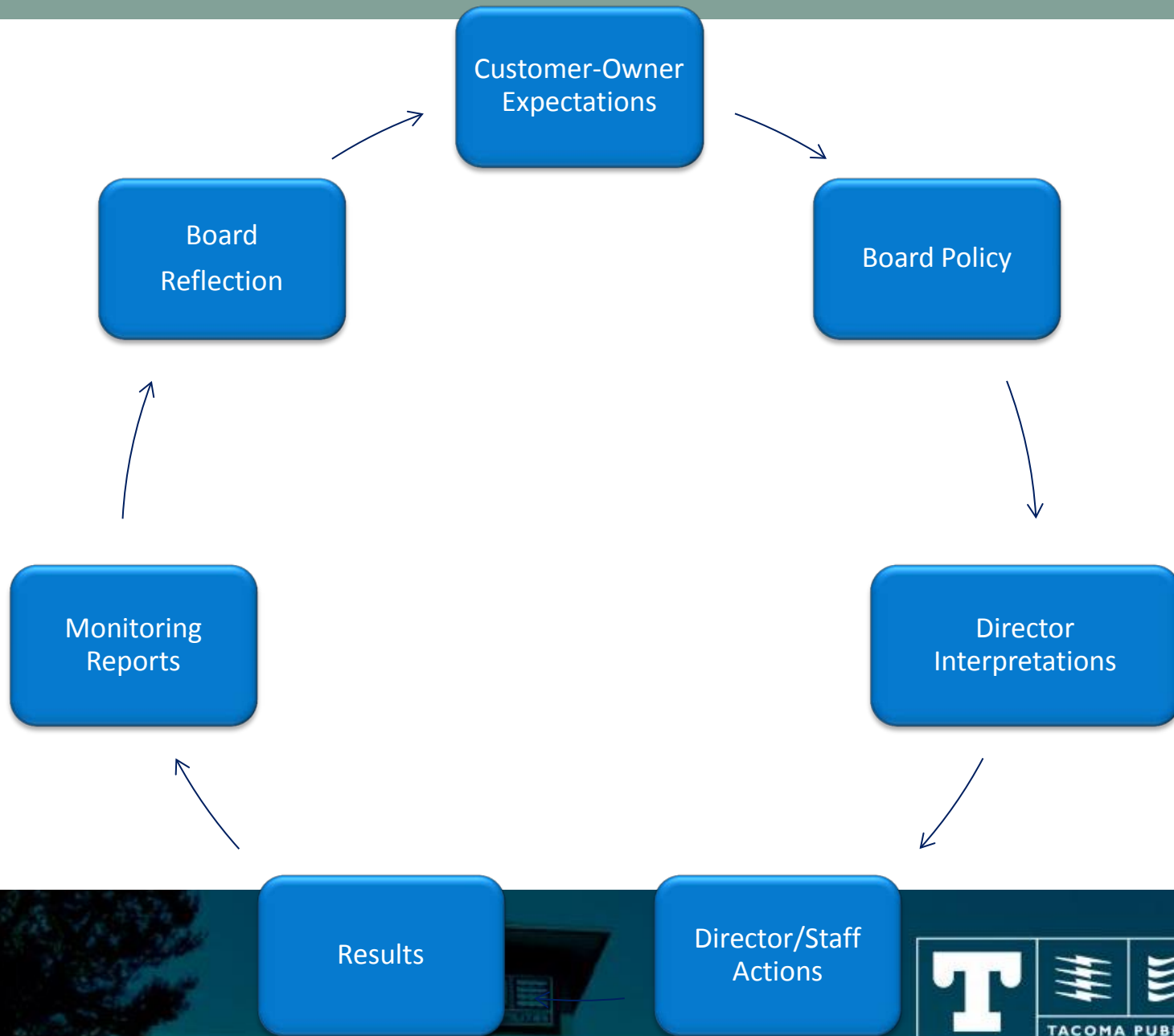
- “Unity of control” is upheld.
  - It is the Board’s policies that direct management, not Board members.
  - Individual Board members may ask questions, but cannot direct staff.
  - The director may refuse individual requests that she deems require inordinate resources.



# Principles of Board Governance

- Delegations to the director clarify roles and enable the Board to stay focused at a high level.
- The Board assesses the director's performance, based on the organization's performance vis a vis the policies and her leadership.
- There is an annual work plan for the Board's work.







# Principles of Board Governance

- The Board governs through three different types of policies:
  - Governance Process (GP) (15 policies)
  - Board-staff Linkage (BL) (15 policies)
  - Strategic Directive (SD) (15 policies)
  - Policies are organized in a modular fashion that is easily accessible.



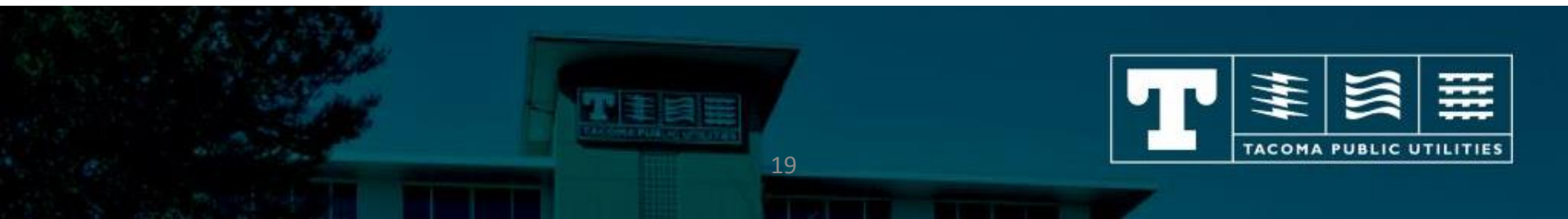
# Examples of Strategic Directives

- Competitive rates
- Reliability
- Customer satisfaction
- Access to credit markets
- Safety
- Environmental stewardship
- Employee relations
- Resource planning
- Ethics
- Economic development
- Information mgt. / security
- Stakeholder engagement
- Enterprise risk management



# The Benefits

- The Board sets the vision and desired results, reflecting what the community expects.
- The Board's articulation of desired results and performance measures focuses and aligns the organization.



# The Benefits

- It gives the director and executive staff the ability to deliver on the Board's goals in the ways they think best, balancing all of the Board's policies.
- It improves executive team's performance because they know decisions depend on them and they have to make the right decisions.



# The Benefits

- Delegations to the director enable the Board to stay focused at a more strategic level.
- Monitoring process enables the Board to assess whether the goals are being met and policies adhered to.
  - Board can use the goals and performance measures to evaluate the CEO.



# The Benefits

- The Board's strategic directives provide a stable set of expectations from the Board that align the organization and eliminate confusion...
- ...at the same time, the Board's strategic directives can evolve as the operating environment changes.



# Board Member Roles – and Limitations

- All Board members need to be informed and involved in developing, monitoring, and refining the Board’s strategic directives and other policies.
- Board members need to focus on long-term results, not on operational details or managing the organization.



# “Care and Feeding” of Good Governance

- Developing and/or refining Board policy needs to be done with care.
  - Changes to the policies should be a collaboration between the Board, the director, and executive team.
  - Board members need ample opportunity to discuss different perspectives and debate pros and cons of alternatives.
- The monitoring process needs to provide ample opportunities for Board discussion as well.



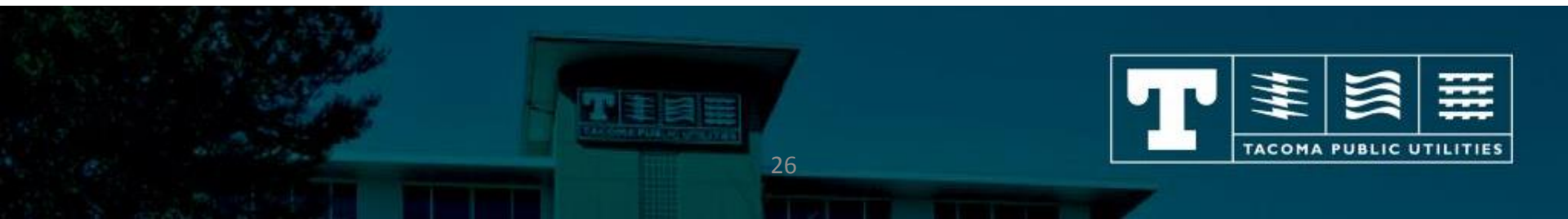
# “Care and Feeding” of Good Governance

- The Board needs to fully own its policies and hold itself accountable to them.
- New Board member orientation needs to be thoughtfully planned and carried out.



# Perspectives

- “This governance model is one of the primary drivers of our success over the past dozen years.”
- “This system gives the Board time to focus on things that matter from a strategic standpoint, and the outcomes and metrics they are looking for.”



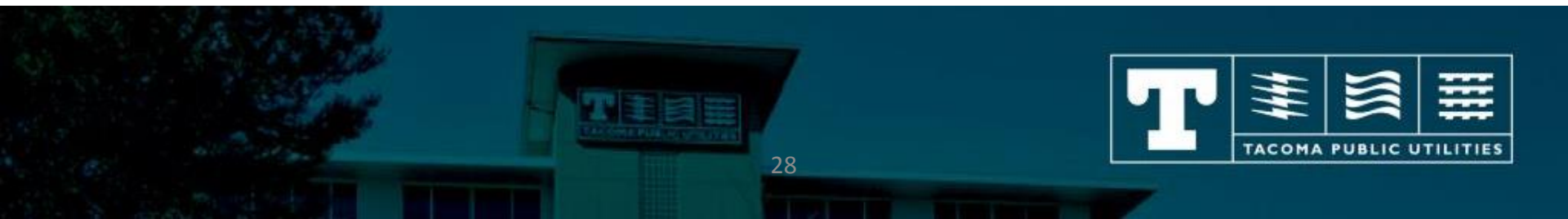
# Perspectives

- “Because we’re aligned around outcomes, it’s provided staff the flexibility to be relatively nimble on the path to achieve those outcomes.”
- “The Board relationship is very important in terms of the quality of executive management. If that relationship erodes, the quality of executive management can also erode.”



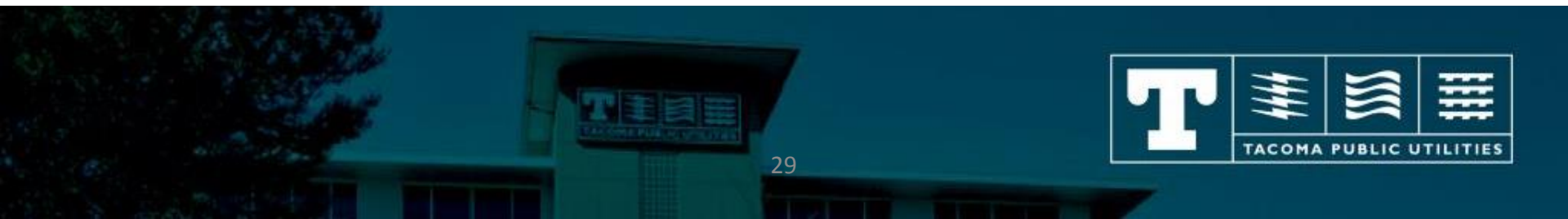
# Perspectives

- “Without this type of governance framework, the danger is that Board members can lose sight of their role and send the wrong signal to the staff.”
- “Board members can’t wear both the Board hat and management hat. If you try, then the function becomes hatless.”



# LRI Recommendations

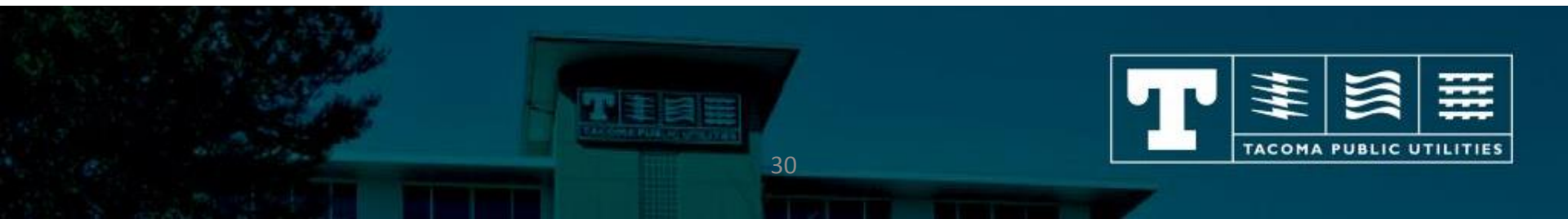
- Develop guiding principles for how Board, City Council, TPU director, and executive staff will work together.
- These guiding principles would define a framework for the Board and City Council to collaborate and give direction to TPU.



# LRI Recommendations

For example:

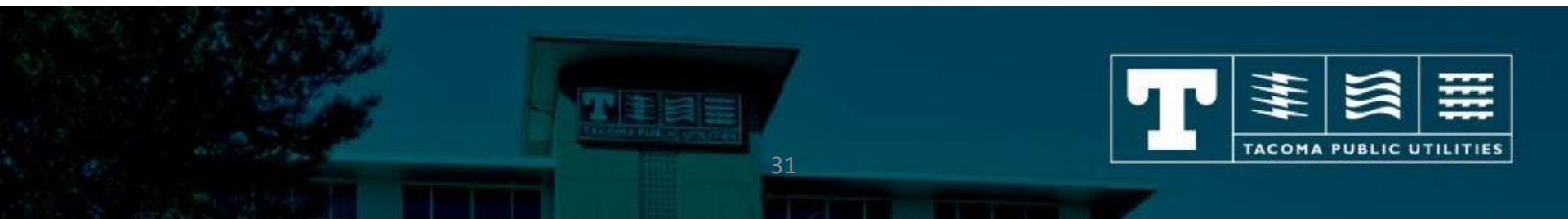
1. The TPU Board and City Council collaborate to develop and define the desired results and related performance measures for TPU.
2. Those desired results and performance measures are approved by both bodies and communicated in the form of written policy to the director, who is then responsible for determining how best to accomplish them.



# LRI Recommendations

For example:

3. The Board and City Council regularly monitor TPU progress in accomplishing the desired results.
4. The TPU Board is engaged in understanding TPU operations; members raise issues and ask questions.
5. Unity of control applies: Only decisions made by the governing bodies are binding on the director.

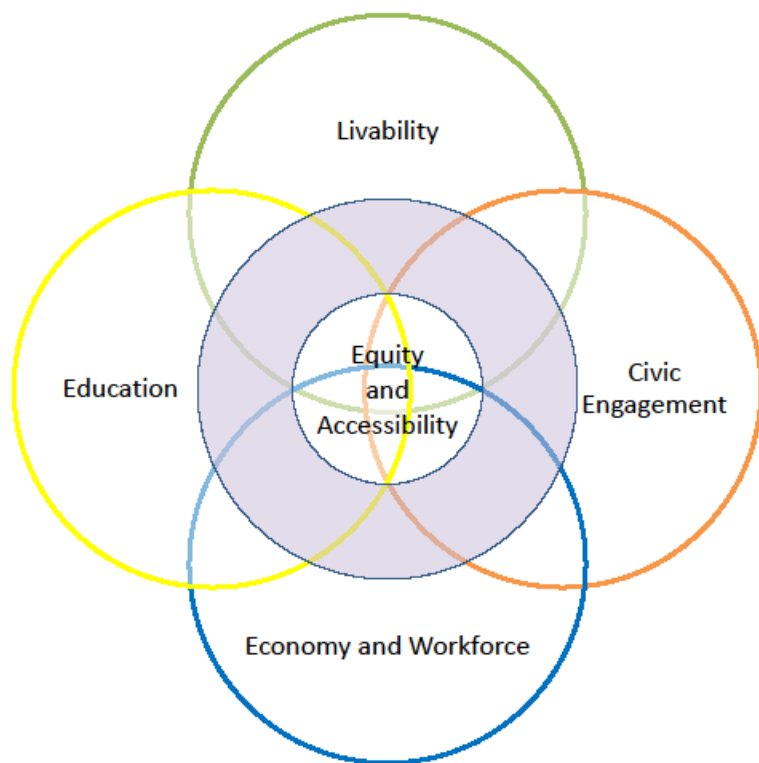


# STRATEGIC GOALS AND VISION 2025





# Tacoma 2025 Framework



- Serves as the foundation for the City of Tacoma's strategic plan
- Creates a shared vision **with** the community
- Works collaboratively with individuals, organizations and institutions to realize community goals (internally and externally)

# Tacoma 2025 7 Vision Statements

Health and Safety: A safe city with ***healthy*** residents

Human and Social Needs: All Tacoma ***residents are valued*** and have ***access to resources*** to meet their needs

Economic Vibrancy and Employment: A vibrant and diverse ***economy with good jobs for all***

Education and Learning: Thriving residents with abundant ***opportunities for life-long learning***

Arts and Cultural Vitality: A vibrant cultural sector that fosters a ***creative and cohesive community***

Built and Natural Environments: Outstanding stewardship of ***natural and built environments***

Government Performance: Efficient and effective government, guided by ***engaged residents***



# 100 Days of Listening

- First hand perspective on what the community sees as TPU's strengths, how we interface with them, and what concerns they have.
  - Individuals
  - Employees
  - Customers
  - Organizations
  - Stakeholders
  - Partners
  - Public Utility Board
  - Mayor, City Council
- Focus on areas that reflect what the community values.
- Hundreds of hours of listening: outreach to 26 key accounts, 38 organizations, and dozens more TPU stakeholders.



# Valued, Appreciated Resource



“Employees care not only about customers, but also each other.”



“We really try to live up to ‘community value first’ in everything we do.”

“Good work that brings real value to the people of the region.”



“I am proud of the work we do and the services we provide.”



# Equitable Access

- Equity lens
- Eliminate language barriers on critical messaging
- Programs or services with gaps in diverse participation
- New programs and services
- Policies
- Enhance our income assistance programs



# Economic Development

- Strategic partner in the traditional sense of economic development
- Processes
- Redevelopment
- Workforce
  - K-Career opportunities
  - Multidimensional approach to STEM education programs
  - Community workforce partners



# Environmental Stewardship

- Rich water resources
- Carbon-free hydropower
- Environmental goals important to our community
- Demonstrated leadership and commitment to environmental stewardship
- Strategic pursuit of new opportunities
- Communicating to our customers and the region



# Resilience

- Systems
  - Secure from physical, cyber, and natural disaster threats
  - Continued investment and modernization
  - Critical foundational pieces and enhanced service offerings
- Process
  - Emergency response plans - dynamic
  - Tabletop and incident response tests
  - Communication and coordination
- People
  - Emphasis on safety
  - Cross departmental accountability

