



RESOLUTION NO. U-11174

1 A RESOLUTION relating to the amendment of Ordinance No. 23295, to modify
2 the operation of the Department of Public Utilities Fleet Services Fund,
3 to modernize the internal fleet fee structure, increase fiscal responsibility,
4 and provide greater flexibility for funding future fleet assets.

5 WHEREAS the Department of Public Utilities Fleet Services Fund was
6 originally created via Ordinance No. 23295 on December 11, 1984, and

7 WHEREAS as prescribed by Ordinance No. 23295, all personal property,
8 equipment, and/or assets owned or held by the individual Tacoma Public Utility
9 operating divisions primarily related to Tacoma Public Utilities' fleet assets were
10 transferred to the Department of Public Utilities Fleet Services Fund using the net
11 book value of the assets, and

12 WHEREAS as prescribed by Ordinance No. 23295, all assets procured for
13 the fund were accounted for as an operating expense to the operating division
14 utilizing the asset, and were recorded as capital assets in the Department of
15 Public Utilities Fleet Services Fund, and

16 WHEREAS each utility division of Tacoma Public Utilities has contributed
17 additional funds to the Department of Public Utilities Fleet Services Fund for the
18 purchase and acquisition of fleet equipment on their behalf to be used
19 exclusively by each division, and

20 WHEREAS accounting for the assets within each of the operating funds
21 allows more flexibility in funding options, and

22 WHEREAS assets identified as having been funded by each of the
23 operating divisions are to be transferred to the divisions, while support division
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fleet assets are to remain under the ownership of the Department of Public
1 Utilities Fleet Services Fund, and

2 WHEREAS an amount of capital reserves to be determined by the
3 Director of Public Utilities or the Director's designee will remain in the
4 Department of Public Utilities Fleet Services Fund for its continued operations
5 and support division asset purchases, with remaining unused capital reserves to
6 be transferred by the Director of Finance to the respective divisions that made
7 those contributions, and

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9 WHEREAS each operating division of Tacoma Public Utilities initially
10 contributed a working fund advance totaling \$375,000 that will remain in the
11 Department of Public Utilities Fleet Services Fund, and

12
13 WHEREAS funds related to the amended Ordinance are currently
14 included in the budgets for TPU, and

15
16 WHEREAS Tacoma Public Utilities believes it is in the best interests of
17 its customers and the citizens of Tacoma that the recommended amendment
18 be made to Ordinance No. 23295 concerning the management and operation of
19 the Department of Public Utilities Fleet Services Fund; Now, Therefore,

20 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

21 Section 1. Ordinance No. 23295 is amended by striking section 2, 3, 4,
22 and 5, and replacing with the following:

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24 Section 2. Future rates will be established through the Department of
25 Public Utilities Fleet Services Fund's policies and procedures.

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Section 3. All vehicular equipment owned or leased by the Department of Public Utilities not exclusively used by the Power, Water, and Rail Divisions shall be an asset of the Department of Public Utilities Fleet Services Fund as a support division asset and managed by the Fleet Manager.

Section 4. All personal property, equipment and/or assets owned or held by the Department of Public Utilities Fleet Services Fund which is primarily related to the Department of Public Utilities' state licensed vehicular fleet or other Department of Public Utilities vehicular equipment as designated by the Director of Utilities that is utilized exclusively by the Power, Water, and Rail Divisions shall be transferred to said Division by December 31, 2020.

Section 5. The Director of Finance of the City of Tacoma shall be and is hereby authorized and directed to transfer from the Department of Public Utilities Fleet Services Fund to the Power, Water, and Rail Divisions any unused capital reserves contributed to the fund by each particular Division, after deducting the total amount to remain in the fund for its continued operations and to support division asset purchases. The amount to remain in the Fleet Services Fund for its continued operations and to support division asset purchases will be determined by the Director of Public Utilities or the Director's designee.

Approved as to form: _____
Chair

/s/
Chief Deputy City Attorney Secretary

Clerk Adopted _____



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Rachel Allen, Power Section Manager
MEETING DATE: June 24, 2020
DATE: June 12, 2020

SUMMARY: Amend the existing Department of Public Utilities Fleet Services Fund Ordinance to transfer operating division fleet assets to the divisions for funding flexibility while maintaining the purchasing and maintenance responsibilities within TPU Fleet Services.

BACKGROUND: Ordinance 23295 was approved on December 11, 1984 establishing a Department of Public Utilities Fleet Services Fund (Fleet Fund). Each utility division has contributed to and utilized the Fleet Fund for the acquisition and maintenance of fleet equipment used in utility operations. It is in the best interest of our customers and citizens to amend the existing ordinance to align it with modern operating and accounting practices, increase fiscal responsibility, and provide greater flexibility in purchasing future fleet assets.

This amendment will allow the TPU Fleet Services Department to continue managing and maintaining the equipment for all divisions and establishing appropriate rates to cover other fleet operating expenses. All equipment owned or leased by the Department of Public Utilities and not exclusively used by the Power, Water, or Rail divisions will continue as an asset of TPU Fleet Services. The amendment to this ordinance will allow all other equipment to become an asset of the division that acquired it. The transfer of assets will take place prior to December 31, 2020 to accommodate year-end accounting procedures. Any unused capital reserves contributed to the Fleet Fund will be transferred back to the division that contributed it. An adequate reserve fund will be established and maintained to support the ongoing operations of TPU Fleet Services.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.
N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No.

ATTACHMENTS: Ordinance 23295.

CONTACT: Travis Metcalfe, Assistant Power Section Manager.

Supervisor: Rachel Allen, Power Section Manager



TO: Mayor and City Council
FROM: Jackie Flowers, Director of Utilities
COPY: Elizabeth Pauli, City Manager and Doris Sorum, City Clerk
SUBJECT: Amendment of TPU Fleet Services Ordinance
DATE: June 24, 2020 / Council 7/7/2020

SUMMARY AND PURPOSE:

An ordinance amending the existing Department of Public Utilities Fleet Services Fund Ordinance (Ordinance 23295) to transfer TPU operating division fleet assets to the TPU operating divisions for funding flexibility while maintaining the purchasing and maintenance responsibilities within TPU Fleet Services.

BACKGROUND:

This department’s recommendation is based on the need to amend Ordinance 23295, approved on December 11, 1984, that established a Department of Public Utilities Fleet Services Fund (Fleet Fund). Each utility division has contributed to and utilized the Fleet Fund for the acquisition and maintenance of fleet equipment used in utility operations. It is in the best interest of our customers and citizens to amend the existing ordinance to align it with modern operating and accounting practices, increase fiscal responsibility, and provide greater flexibility in purchasing future fleet assets.

This amendment will allow the TPU Fleet Services Department to continue managing and maintaining the equipment for all divisions and establishing appropriate rates to cover other fleet operating expenses. All equipment owned or leased by the Department of Public Utilities and not exclusively used by the Power, Water, or Rail divisions will continue as an asset of TPU Fleet Services. The amendment to this ordinance will allow all other equipment to become an asset of the division that acquired it. The transfer of assets will take place prior to December 31, 2020 to accommodate year-end accounting procedures. Any unused capital reserves contributed to the Fleet Fund will be transferred back to the division that contributed it. An adequate reserve fund will be established and maintained to support the ongoing operations of TPU Fleet Services.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

This recommendation has been developed by a cross functional group of TPU Fleet Services customers called TPU’s Fleet Advisory Committee. The operating divisions are the most impacted by this amendment and each division supports this change. It will allow for greater funding flexibility benefiting all of our customers.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Keep existing ordinance in place		Antiquated funding practices remain in place limiting fiscal flexibility for operating divisions.



2. Develop new ordinance to replace existing ordinance		Time consuming process with little additional benefit to organization.
3.		

STAFF/SPONSOR RECOMMENDATION:

We recommend amending the TPU Fleet Services Ordinance to allow for greater fiscal flexibility and continuing ongoing purchasing and maintenance practices within TPU Fleet Services.



FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1.			
2.			
TOTAL			

What Funding is being used to support the expense?

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

The current biennium budget will not be affected.

Are there financial costs or other impacts of not implementing the legislation?

YES

The operating divisions have to fund all vehicle purchases using operating revenues and are not able to utilize capital funding for vehicle purchases.

Will the legislation have an ongoing/recurring fiscal impact?

YES

Assets that are currently in the TPU Fleet Services will be transferred to the operating divisions prior to December 31, 2020.

Will the legislation change the City's FTE/personnel counts?

No

Click or tap here to enter text.

ATTACHMENTS:

- Ordinance 23295



ORDINANCE NO. 23295

1
2 An Ordinance creating in the Treasury of the City of Tacoma a
3 special fund to be designated as the "Department of
4 Public Utilities Fleet Services Fund"; specifying the
5 purposes for which said fund is created; providing
6 for the keeping of all books, records and accounts
7 authorizing a transfer of the fleet assets and their
8 respective reserve for depreciation from the Light
9 Division, Water Division and Belt Line Division of
10 the Department of Public Utilities, authorizing a
11 transfer in the sum of \$375,000 from the same three
12 funds as a working fund advance to said Department of
13 Public Utilities Fleet Services Fund and directing
14 the manner for which said fund shall be expended.

15 BE IT ORDAINED BY THE CITY OF TACOMA:

16 Section 1. That there be and is hereby created and
17 established in the Treasury of the City of Tacoma a new fund
18 to be known and designated as the "Department of Public
19 Utilities Fleet Services Fund" to be used exclusively for the
20 operation of the Department of Public Utilities consolidated
21 fleet management program with responsibility for all vehicle
22 administration under a fleet manager.

23 Section 2. That the Department of Public Utilities
24 Fleet Services Fund shall be used as a revolving fund which
25 shall be expended for (1) administration expenses including
26 but not limited to salaries, wages, space rental and other
27 administrative overhead; (2) operations and maintenance
28 expenses, including but not limited to purchase, lease or
29 rental of new or used vehicles or vehicular related equipment,
repairs, replacements, maintenance costs and supplies. Future
fleet expenses will be recovered through rental rates,
established by the Fleet Manager as approved by the Manager



1 for the General Services Division and the Director of
2 Utilities, for specific pieces of equipment rented to users.
3 Benefits received from the program by the Light, Water and
4 Belt Line Divisions will be in direct proportion to the asset
5 values transferred by each operating division to the fund.
6 Future rental rates may reflect not only cost of service but
7 also sufficient monies to assist in funding future purchases.

8 Section 3. All vehicular equipment owned or leased
9 by the Department of Public Utilities shall be an asset of the
10 Department of Public Utilities Fleet Services Fund. Any
11 outside rental or lease of vehicular equipment for Department
12 of Public Utilities shall be accomplished in accordance with
13 the policies established by the Director of Utilities.

14 Section 4. All personal property, equipment and/or
15 assets owned or held by the Light, Water or Belt Line
16 Divisions of the Department of Public Utilities which is
17 primarily related to the Department of Public Utilities' state
18 licensed vehicular fleet or other Department of Public
19 Utilities vehicular equipment as designated by the Director of
20 Utilities shall be transferred to the said Department of
21 Public Utilities Fleet Services Fund as of January 1, 1985.
22 The net book value of the assets of each operating division,
23 together with the associated reserve for depreciation will be
24 maintained in the asset accounts of the operating division
25 under the heading of "Investment in the Department of Public
26

27 148



1 Utilities Fleet Services Fund".

2 Section 5. The Director of Finance of the City of
3 Tacoma be and is hereby authorized and directed to transfer to
4 said Department of Public Utilities Fleet Services Fund as a
5 working fund advance, from the following funds, the individual
6 sums totalling \$375,000 to be used for the purpose of paying
7 the operational costs of the said Fund:

Fund No.	Name	Amount
470	Light Fund	\$312,563
460	Water Fund	59,212
450	Belt Line Fund	3,225
Total		<u>\$375,000</u>

12 Section 6. Should the Department of Public Utilities
13 Fleet Services Fund be dissolved for any reason, any surplus
14 or deficiency, together with the original book value of the
15 assets transferred to said Department of Public Utilities
16 Fleet Services Fund shall be shared by the Light, Water and
17 Belt Line Divisions on a pro rata basis in accordance with
18 their contributions to said fund.

19
20 Passed DEC 11 1984

[Signature]
Mayor

21
22
23 Attest: *[Signature]*
City Clerk

24
25 Requested by Public Utility Board
26 Resolution No. U-7103

1419

DIVISIONS
Light
Water
Belt Line



City of Tacoma

WASHINGTON

DEPARTMENT OF PUBLIC UTILITIES
Paul J. Nolan, Director

November 14, 1984

Please address reply to:
City of Tacoma
Department of Public Utilities
P.O. Box 11007
Tacoma, Washington 98411
(206) 383-2471



To the Chairman and Members of the
Public Utility Board and the Mayor
and Members of the City Council:

Re: U-7103

Theodore Barry & Associates (TB&A) in their June 1980 Management and Operations review of the Department had recommended that we "implement a Fleet Management Program" and "establish a consolidated fleet section responsible for all vehicle administration and assign that responsibility to a Fleet Manager." The Public Utility Board, through adoption of policy statements and strategic plan action statements, endorsed TB&A's recommendations. A Fleet Manager was hired in August 1983 and since that time considerable effort has been devoted to following the Board's direction to consolidate authority and responsibility for all activities relative to the Department's fleet. Earlier this year, the Management Analyst was assigned to review the organization, funding, and operations of the Fleet Services Section and develop recommendations for improvement.

We are recommending that an equipment rental fund (to be called Fleet Services Fund) be established, as permitted by RCW 35.21.088, for the 1985 budget year. This will provide for better management and control of Departmental fleet assets and was recommended by the Management Analyst in her September 25, 1984 report. Existing fleet assets would be transferred to the fund and fleet expenses would be recovered through rental rates established for specific pieces of equipment rented to users. We believe that it is in the Department's best interest to establish the fleet services fund.

Essentially, the establishment of the fund is simply a change in fleet accounting procedures that will improve management of the fleet. Operating divisions will continue to have decision-making authority regarding equipment that they require to perform their functions.

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To the Chairman and Members of the
Public Utility Board and the Mayor
and Members of the City Council:

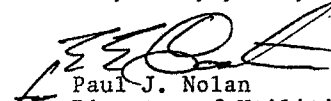
November 14, 1984
Page Two

What is proposed in establishing the fund is the transfer to the fund of all properties, equipment, monies, assets, liabilities, and operating accounts owned, held, or maintained by the operating divisions that have been determined to be appropriate for inclusion in the fleet services fund. There is also a need to provide for operating cash to cover fleet expenditures during the period of time from when expenses are incurred until the rental rates are billed and funds received. To cover those initial operating cash requirements, a working fund advance, to be repaid, will be necessary from the operating divisions to be pro-rated according to the original cost of the equipment to be included in the fund as follows:

<u>Fund No.</u>	<u>Name</u>	<u>Amount</u>
470	Light Fund	\$312,563
460	Water Fund	59,212
450	Belt Line Fund	<u>3,225</u>
		\$375,000

Your favorable consideration of this recommended action is requested.

Very truly yours,


Paul J. Nolan
Director of Utilities

PJN:lms

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WHITE - City Clerk
 BLUE - Legal Department
 PINK - Finance Dept.
 CANARY - Departmental



**REQUEST for ORDINANCE
 or RESOLUTION**

TO BE COMPLETED BY
 CITY CLERK'S OFFICE
 NO. 8694

INSTRUCTIONS: File request in the City Manager's Office no later than 5:00 p.m. FRIDAY, eleven days prior to the Council Meeting at which it is to be introduced. List facts necessary for the City Attorney's use in preparation of ordinance or resolution. Attach all material pertinent to the subject. NOTE: All appropriation requests must be cleared and approved by the Director of Finance or Controller before submitting to City Manager or Director of Public Utilities. (See Section 2). Departments must complete all paragraphs except 2 and 3. (If necessary, refer to Guide 15.2 (LEG 210) Subject: Departmental Request for Ordinance or Resolution). **23295**

DATE November 14, 1984	REQUEST MADE BY Eric J. Herzmann	DEPARTMENT/DIVISION (Name and Number) Public Utilities/ General Services	PROGRAM
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2. Approved as to Availability of Funds
 3.
 Department Head: *Eric Herzmann*
 Controller: *[Signature]*
 Director of Public Utilities: *[Signature]*

4. PREPARATION OF AN ORDINANCE ~~RESOLUTION~~ (indicate which) IS REQUESTED FOR THE CITY COUNCIL MEETING OF TUESDAY _____, TO:
 Request that the Council of the City of Tacoma create and establish in the Treasury of the City of Tacoma a special fund to be designated as the "Fleet Services Fund" and direct appropriate transfer of assets to the fund.

5. BACKGROUND INFORMATION (Why is Request necessary?)
 The Department of Public Utilities has been reviewing fleet management functions to develop improvements and implement a centralized fleet management program. The establishment of a separate Fleet Services Fund is proposed to provide for a distinct accounting of fleet expenditures to improve management and control. The creation of such a fund has been recommended by the Management Analyst, reviewed by the Director of Utilities, City Attorney, Controller, operating division superintendents, and Manager, General Services, and supports recommendations by several management consultants as well as policies and the strategic plan of the Public Utility Board.

6. FUNDING SOURCE: (Enter Amount of Funding from each source)
 Federal \$ _____ State \$ _____ City \$ _____ Other _____ Total Amount \$ _____
 Funding for the proposed legislation is found in the _____ budget, Division 152
 Page _____ Fund Number & Name _____ N/A

7. (a) Cleared by Affirmative Action	<input type="checkbox"/> Yes	<input type="checkbox"/> Conditional Approval	<input checked="" type="checkbox"/> Not Applicable
(b) Contract Compliance	<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved	<input checked="" type="checkbox"/> Not Applicable
COMMENTS:			
(If needed, see Guide No. 3.1 (LEG 210), Subject: Affirmative Action and Contract Compliance.)			
8. STATUS:	<input checked="" type="checkbox"/> NEW LEGISLATION	<input type="checkbox"/> AMENDING LEGISLATION	
Legislation amends Res/Ord. _____ Section _____ Chapter _____			
9. SALIENT COMMENTS: List or identify significant information or exceptions that could be meaningful in processing this legislation.			
The establishment of a Fleet Services Fund will require transfer of operating division assets and a working fund advance from three funds to cover expenses until first billings are received.			
10. ESTIMATED TIME REQUIRED, AFTER LEGISLATION, TO IMPLEMENT PROJECT _____ <input checked="" type="checkbox"/> N/A			
11. ENVIRONMENTAL ASSESSMENT:			
<input checked="" type="checkbox"/> Non-Action <input type="checkbox"/> Exempt <input type="checkbox"/> Declaration of Non-Significance <input type="checkbox"/> EIS			
COMMENTS:			
(If needed, see Guide No. 43 (ADM 1600), Subject: Environmental (SEPA) Public Information Center.)			
12. SOURCE DOCUMENTS: (List all material filed in the City Clerk's Office as backup information for the request, and attach said backup information.)			
A. Letter from Paul J. Nolan dated November 14, 1984.			
B. <i>Resolution 4-7103</i>			
C.			
D.			
13. SUMMARY TITLE: (A brief sentence, not to exceed fifty words, as it will appear on the Council Agenda.)			
Establishment of Fleet Services Fund			
14. INDEX DATA: (Provide a minimum of three cross reference key words or phrases other than department or program.)			
A. Fleet Services Fund			
B. Fleet Management			
C. Equipment Rental Fund			
15. Ordinance # <u>23295</u> First Read <u>DEC 4 1984</u> Passed <u>DEC 11 1984</u>			
Resolution # _____ Adopted _____			
Comments or Other Action Taken:			
<i>153</i>			



RESOLUTION NO. U-7103

1 WHEREAS it is desired to create by City Ordinance a
2 new fund for the City of Tacoma to be known and designated as
3 the "Department of Public Utilities Fleet Services Fund",
4 which ordinance specifies the purposes of the fund and
5 appropriate monies to be used by the Department of Public
6 Utilities Fleet Management to control departmental fleet
7 assets, and

8 WHEREAS it is desired that the City Council pass an
9 ordinance creating said fund substantially in the form as that
10 on file with the Clerk of the Board, providing that all assets
11 and funds transferred to said fund shall be utilized in
12 accordance with Section 4.5 of the City Charter and the Laws
13 of the State of Washington, and the complete details of said
14 fund have been provided to the Board by a letter to the Public
15 Utility Board from the Director of Utilities dated
16 November 14, 1984 which is on file with the Clerk; Now,
17 therefore,

18 BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA

19 That the ordinance creating the Department of Public
20 Utilities Fleet Services Fund is approved and the Council of the
21 City of Tacoma is requested to concur in the recommendation and
22 to pass the ordinance substantially in the same form and content
23 as that on file with the Clerk and with final form to be
24 approved by the City Attorney.

25 Approved as to form & legality:
26 William J. Barker
27 Chief Assistant City Attorney
28 Lorraine Graeber
29 Clerk

John A. Willis
Chairman
Earl R. Pennington
Secretary
Adopted November 28, 1984