

CITY COUNCIL BUDGET HEARING

Monday, October 4, 1965
City Council Chambers, 7:00 P. M.

Present on roll call 3: Price, Johnson and Finnigan. Absent 6: Bott, Cvitanich, Haley, Herrmann, Murtland and Mayor Tollefaon. Mr. Haley and Mr. Cvitanich coming in at 7:10 P. M. Mr. Murtland coming in at 7:20 P. M. In the absence of Mayor Tollefaon and Deputy Mayor Dr. Herrmann, Mrs. Ellen Price presided.

THIS IS THE DATE SET BY STATE LAW FOR THE HEARING ON THE BUDGET FOR 1966

Acting Mayor Mrs. Price greeted the audience and thanked them for showing an interest in the operating plan for 1966.

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Mr. Rowlands explained that the normal procedure at the first hearing is to outline the various items for the 1966 budget. He added, he wished to pay tribute to the various staff members who worked diligently in preparing their departmental requests. He remarked that the Nation is becoming more and more a Nation of urban dwellers. He added just recently a new Cabinet post has been created through the Urban Development bill, and this is the first time in many years that Cities have been recognized on the national level.

Mr. Rowlands further remarked that the young people in the Neighborhood Youth Corps that have been employed by the City are progressing nicely and the staff is trying to help them to become self-sufficient.

He added that Tacoma could become a quality city if the city's government had about \$2½ million more per year to spend.

Mr. Haley and Mr. Cvitanich coming in at 7:10 P. M.

Mr. Rowlands explained the charts showing figures for the budget years of 1965 and 1966:

CITY OF TACOMA 1966 PRELIMINARY BUDGET

	<u>1965</u>	<u>1966</u>
1. General Departments	9,541,549	10,128,712
2. Non-Departmental	879,892	1,399,150
This includes the Transit System Subsidy of \$251,000.		
3. Interest & Debt Redemption	1,781,588	1,614,367

The Interest & Debt Redemption has been reduced for 1966.

	<u>1965</u>	<u>1966</u>
4. Possible Budget Adjustments		350,000
5. Total General Government	12,203,029	13,492,229

Mr. Rowlands explained that these other properties are separate funds and that the Cities cannot spend any of the following money unless they put up 25%. The Gas Tax money is earmarked for the arterial street construction only.

	<u>1965</u>	<u>1966</u>
Arterial St.	522,723	776,250
Employees Retirement	2,003,296	2,157,243
Revolving Funds	1,244,836	1,160,734
Garbage & Refuse	1,205,436	1,204,200
Sewer	1,506,425	1,580,257
Transit	1,675,580	1,628,510
Light	18,917,100	19,462,600

The Light Utility is a self-supporting utility as the Water, Belt Line, and the Sewer Utility.

Water	3,005,220	3,127,800
Belt Line	568,300	591,417
Total - City of Tacoma	42,851,945	44,930,240

Mr. Rowlands stated he would list in detail the Additional Obligations and Expenses for 1966 over what the City experienced in 1965.

Item No. 1 - Salaries, Wages & Fringe Benefits 220,539

In this category there is \$130,000 in addition for the Police & Firemen pensions. A request from the Library is principally for wages and for fringe benefits of an additional \$63,000 over 1965. Another additional amount of \$27,000 for Social Security. There is approximately \$19,000 for an increase in wages in all Departments.

Item No. 2 - Maintenance & Operation 95,835

The principal item here is for the Library for an M & O of some \$16,000, an election expense of \$25,000 which the City Council must determine if an election is to be held next February or March, in connection with the Six-Year Capital Improvement Program, also for the general operation of the government and the purchase of commodities which, the costs are increased.

Item No. 3 - Capital Outlay 270,789

The equipment included in this item is automotive equipment, etc. but the largest item of this category is \$209,000 which was proposed last year for equipment.

Item No. 4 - Interest & Debt Redemption (167,221)

Item No. 5 - Non-Departmental 210,874

An increase of \$155,000 is for street lighting. However, the City Council and the Utility Board indicated that something may be worked out in regard to this problem. There is also an increase for the Park Dept. of \$29,000 which the City has to contribute to make up roughly \$500,000 to \$550,000. Prior to 1955 this was not necessary. One other item is the Dangerous Bldg. category which would require some \$20,000 and it has been suggested to the City Council that this must be appropriated for the demolition of dangerous buildings.

Item No. 6 - Transit System Subsidy 251,000

Item No. 7 - Cumulative Reserve Fund for C. O. & M. & O. 57,384

The total of these items \$ 939,200

Additional Source of Revenue
1966 over 1965

Item No. 1 - Property Taxes (2,977)

A reduction in property taxes over the present year in the amount of 3/4ths of 1-1/2 mills.

Item No. 2 - B & O Taxes, License & Permits 235,128

In this item there is an expected increase due to the approval by the Courts of the Telephone Tax and Gas Tax which will increase the percentage in this category by \$175,000 a year.

Item No. 3 - Utility Taxes and Charges 63,284

An increased economy and the continued use of these utilities make up this increase.

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Item No. 4 - Fines & Forfeitures (17,500)

Item No. 5 - Use of Property and Money 58,363

Anticipation of \$30,000 or more from interest on investments and parking meter revenues will amount to approximately \$23,000.

Item No. 6 - State-Collected Taxes 140,543

Admission tax will probably produce \$93,000 next year and the automobile gasoline tax about another \$50,000 to \$55,000.

Item No. 7 - Miscellaneous Revenue 18,464

Item No. 8 - Unappropriated Surplus 443,905

Mr. Rowlands added each year they try to bring to the City Council some type of savings, either through unanticipated revenues or through unexpended appropriations. The telephone and gas tax was held up in litigation that amounted to approximately \$309,000 which was held in escrow by the License Dept.

In developing the Budget for 1966, most of the emphasis is promulgated in July of 1965. So the total figure for additional sources of revenue for the year 1966 over 1965 is:

\$ 939,200

TOTAL COMMUNITY GOALS FOR 1966

Mr. Rowlands stated that this is a recommendation from the Manager to the City Council.

1. Strengthening the City's Financial Position.

The Association of Washington Cities anticipates an initiative on the November 1966 ballot to allow cities 1/10th of the state's sales tax revenues which would allow Tacoma about \$2,000,000 more per year. Mr. Rowlands recommended to the City Council that since this type of program is pending the cities should rightfully absorb some of these costs in the operating budget until it is determined what the outcome will be.

2. City-State-Federal partnership in resolving Local Urban needs.

Mr. Rowlands felt that the City officials would be remiss if they refused to accept the Federal grants that are available, as the Federal Government is our Government. The budget could be cut to nothing, but this would not be doing a service to the community as many programs are available for the City to explore.

3. Resolving the Transit Crisis.

The Transit problem throughout the United States is growing progressively more acute. If the sales tax initiative should be approved, there is no reason why a transit subsidy could not be derived from the City's operating budget for a number of years in the future.

4. Six-Year Capital Improvement Program.

Mr. Gaisford, Finance Director, outlined the bonding capacity of the City of Tacoma for the next several years. He noted that the City's remaining bonding capacity, leaving a cushion for emergencies, totals only \$5,000,000 at present although it will grow to \$11,000,000 by 1971 as old issues are paid off.

5. Seeking the Development of a Quality City.

Mr. John Sankovich, Assistant City Manager, pointed out the major projects of the next few years.

1.	Transit Subsidy	300,000
2.	20-Patrolmen - Police	151,500
3.	Reduction in duty hours (Fire)	70,000
4.	Public Works	
	St. Maintenance-(12 men)	100,000
	Housing Inspectors-(7 men)	50,520
	L I D Participation	225,000
	Arterial St. Gas Tax	150,000
	Sanitary Sewers	
	L I D Participation	50,000
	Resurfacing	30,000
	R of W Acquisition	25,000
	St. Alignment	150,000
	Misc. Street Construc- tion	150,000
5.	Parks & Recreation	
	11-full time, 59 p/t em- ployees	104,100
	New park & recreation development	225,000
6.	Equipment Replacement	
	Motor Pool	225,000
	Buses	50,000
	Fire Equipment	70,000
7.	Bookmobile	25,000
8.	Airport Development	125,000
9.	Open Space (Parks-Recreation & Beautification)	<u>175,000</u>

\$ 2,524,672

