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CITY COUNCIL MINUTES

City Council Chambers
Tuesday, March 30th, 1971.

Pursuant to the recessing of the meeting of March 23rd, at which time there was no quorum of members, the Council reconvened at 7:00 P.M. on March 30th. The meeting was called to order by Mayor Johnston.

Present on roll call 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston. Absent 0.

The Flag Salute was led by Mr. Maule.

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Mayor Johnston announced that this day, being designated as Student Government Day, each Council and staff member and the press representatives had been assigned a student counterpart. As a means of participation in government, these students had spent the day, which is an annual function, in various departments of City government. The Mayor and each Council member then introduced their student counterpart.

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Mayor Johnston asked if there were any omissions or corrections to the minutes being submitted for March 2nd. Mrs. Egan moved to approve the minutes as submitted. Seconded by Mr. Corsi. Voice vote was taken. Motion carried.

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Mayor Johnston read a Proclamation designating the week of March 27th through April 4th as 38th Annual Puyallup Valley Daffodil Festival Week. He introduced the new Queen Jean Fink as well as Basil Anton, president of the Daffodil Festival and John Sankovich, president of the Daffodilians Club, which acts as official hospitality group during the coming Festival.

FINAL READING OF ORDINANCES:

Ordinance No. 19315

Creating a new fund to be known as the "Contingency Fund" for the purpose of providing funds for unforeseen municipal expenses and certain emergencies.

Roll call was taken on the ordinance, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0..

The Ordinance was declared passed by the Chairman.

Ordinance No. 19316

Appropriating the sum of \$182,000.00 or so much thereof as may be necessary from the Public Works Revolving Fund for the purpose of paying costs of maintenance and operation and salaries relating to the relocation of Mason-Tyler Street in conjunction with the construction of Henry Foss High School.

Roll call was taken on the ordinance, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Ordinance was declared passed by the Chairman.

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Pursuant to adjournment of the continued meeting of March 23rd on this evening, Mayor Johnston called the meeting of March 30th to order at 7:30 P.M. All members were present.

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Mayor Johnston, assisted by Acting City Manager Marshall McCormick and his student counterpart, presented Service Awards to the following: Fire Dept.: 25-Year Awards to Oscar Forsberg, Dan Johnson, Edward G. Lewis and Weldon R. Thompson. 40-Year Award to L.C. Chambers; Health Dept.: 25-Year Award to Alfred A. Nix; Police Dept.: 30-Year Award to Colin G. King; 25-Year Award to Clayton Buchholz and Ray Fredrickson; Public Works Dept.: 25-Year Award to Peter Budinich, Jack Burns, John Davis, Martin Greinke, Thomas Mernaugh, Mike Micheli, Frank Morrone, William Pickett and Edwin Riggs. Certificates of Award were presented to each for their fine, dedicated years of service.

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Mayor Johnston asked if there were any additions or corrections to the minutes being submitted for the meeting of March 9th.

Mr. Schroeder moved to approve the minutes as submitted. Seconded by Mr. Maule. Voice vote was taken. Motion carried.

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HEARINGS & APPEALS:

(a) This is the date set for hearing for vacation of the alley between Puyallup Avenue and East 25th from East "G" to McKinley Avenue. (Submitted by Carman Manufacturing Co.)

Mr. Joe Quilici, Principal Planner, commented there was nothing to add to the letter of February 18, 1971, relative to the minutes of the Planning Commission, which show that the Commission recommended approval of the vacation of the alley.

Dr. Herrmann moved to concur in the recommendation of the Planning Commission to approve the petition. Seconded by Mrs. Egan. Voice vote was take and carried with two members abstaining.

(b) This is the date set for hearing for rezoning of the southwest corner of South 15th and Puget Sound Avenue from an "R-2" to an "R-2-T" District. (Submitted by Nelson, Krona & Ziegler, Architects.)

Mr. Quilici reported that the Planning Commission had recommended approval and that the letter of March 2nd explained the reasons for this action.

Dr. Herrmann moved to concur in the recommendation to approve the rezoning. Seconded by Mr. Moss. Voice vote was taken and carried.

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PETITIONS:

Arthur T. Charuhas and George Koukles requesting rezoning of the northeast corner of South Madison and South 12th Streets from a "C-1" and an "R-2" to a "C-2" District.

Referred to the City Planning Commission.

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Mayor Johnston announced that he had received a letter from Mr. William S. Buell, representing Indoor Sports Club, pointing out that as part of the official Daffodil Festival, there would be a workshop for handicapped athletes and potential athletes to be held at Tacoma Community College on April 4th. He explained that as a companion event to the Olympic Games there is a Para-lympic event for physically handicapped persons, and that in Tokyo the handicapped team from America won more medals than the able-bodied counterparts.

Mr. Buell presented one of the participants, Mr. William Matsumoto, who is chairman of the workshop for this year.

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RESOLUTIONS:

Resolution No. 21087

Authorizing the execution of a deed to Lewis County for road purposes.

Dr. Herrmann moved that the resolution be adopted. Seconded by Mr. Finnigan.

Mr. Al Benedetti, Assistant Director of Utilities, introduced his student-counterpart and then explained that Lewis County had requested the transfer of this property in order to gain access to some of their adjacent property. The requested portion is surplus to the City's needs and the transfer would not interfere with the City's use, but the transaction could perhaps provide future benefits to the City.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21088

Authorizing the execution of a contract adjusting wheeling charges between Bonneville Power Administration and Public Utility District No. 2 of Grant County.

Mr. Finnigan moved that the resolution be adopted. Seconded by Mrs. Egan.

Mr. Benedetti explained that in 1956 the City executed a contract with Grant County PUD for the purchase by the City of 5% of the output of the Priest Rapids Development. In conjunction, the City executed a wheeling contract with the Bonneville Power Administration, which owned the lines that would bring power from the project to be utilized by the City of Tacoma. This agreement calls for possible adjustment of the charges at each five-year period and because of increased expenses, they are requesting an adjustment which would allow a 4% increase in the wheeling charges. A representative annual billing amount to the City has been approximately \$115,000, and the increase would amount to an addition of \$4,600.

Upon approval of the resolution, the new rate would remain in effect for another five-year period. After that period, if costs have risen sufficiently, the BPA could then ask for another adjustment in the rate, but there would be no increase during the next five years.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21089

Authorizing the execution of a supplemental water rate agreement with St. Regis Paper Company.

Mr. Corsi moved that the resolution be adopted. Seconded by Mr. Maule.

Mr. Benedetti commented that this contract agreement is the only one granted to a specific industrial customer in the City. It is a special contract because the requirements and service are different from other customers. It is a ten-year contract, which was originally executed five years ago, and is to be reviewed every five years.

Ten years ago a study was made by the Utilities Dept. and a formula was developed on the basis of actual costs to the City. At that time, St. Regis agreed that the formula was proper. At the present time, however, St. Regis's demands have increased because of the expansion of their facilities and they now require 32 million gallons of water per day. The present rate is \$37.50 per million gallons and it is recommended it be increased by 29.7%, to \$48.73. This is a substantial increase but one which would hold for the next five-year period and is not unreasonable compared to the escalation of other commodities and services in the area. The Utilities Dept. studies which had been provided to the Council had taken into consideration the competitive position of St. Regis in determining the rate adjustment recommended. The Public Utility Board recommends concurrence of the Council in setting the rate proposed.

Mayor Johnston asked if the comparative rates shown in the Report for the other cities were current and how long they had been in effect.

Mr. John Roller, Chief Sanitary Engineer of the Utilities Dept., advised that the rates shown represented a spectrum of charges made, some of which were current and some had been in effect for a number of years.

Mr. Benedetti commented that at the time of the survey by the Department, the specific contract provisions for companies in other cities had not been obtained; however, in many cases the costs shown represent a combination cost. In some cities the pulp mills had invested their own money in the capital facilities expense and the bulk of the costs are in the amortization budget and includes piping and treatment costs. Mr. Benedetti further commented that in a number of cases the log-water costs is a very small portion of the totals shown.

Mayor Johnston commented that according to the report it would appear that Tacoma rates are higher, even without including the piping and treatment costs, than they are, for example, in Everett.

Mr. Benedetti explained that even though the water in some locations outside of Tacoma is of a lower quality, the costs are not too markedly different in bringing it up to the same quality as the Tacoma water.

Mr. Stanley Frederick, Northwest District Controller for St. Regis Paper Co., read a statement made by Mr. Robert Lynch, resident manager of the kraft mill of St. Regis, who was out of town. He requested that the statement be made a part of the minutes. The statement indicated that St. Regis does not feel "the amount of the proposed rate increase is warranted at this time," but "that the current total dollar requirement of the Water Division (of St. Regis) precludes application of the formula in the straight-forward manner of past increases." The statement further pointed out that their "Tacoma Kraft mill, located in one of the highest operating cost areas in the country, is feeling the pressure in an acute fashion, especially as large sums of money are currently being committed for environmental control improvements."

Mr. Jarstad commented that St. Regis had currently allocated a large sum of money for environmental control and inquired as to whether they were meeting the requirements of the Water Pollution Commission.

Mr. Frederick reported that they had built a water clarifier which was completed last December at a cost of \$1.7 million and plan to spend \$21 million over the next three or four years on air pollution control to comply with the state requirements. St. Regis is requesting a postponement of three weeks inasmuch as Mr. Lynch will not return for another week and they wish more time to study and discuss the matter. They have held discussions with the City Water Dept., but not enough with their own corporate headquarters which is remotely located in Florida. St. Regis does not plan to request a new anniversary date for the agreement rates as set forth in the agreement, but to more thoroughly review the whole proposal.

Mr. Benedetti advised that the Utility Board had contacted St. Regis in January and arranged a meeting with Mr. Lynch and provided all of the data, accounts and method of allocation of the costs. The formula basis is one which had been agreed upon by St. Regis and the City and this had formed the basis for the two previous increases. In addition, the Utility Board had retained Ford, Bacon & Davis as consultants to review the matter in fairness to the City and to St. Regis. They felt it was a proper basis and their only comment was that when it was re-negotiated in the future perhaps other elements could be considered, but that any change would also be in the upward direction rather than lowering them.

Subsequently, the Board had contacted Mr. Lynch and he had shown no verbal concern nor did he request a postponement. Mr. Benedetti also commented that

the rate increase being considered for St. Regis is the same general pattern being considered for other classes of customers of the City. He felt that even with the increase St. Regis would be getting a good rate and the assurance of having the same rate for five years. He felt both sides had been given ample opportunity to explore the matter and that no useful purpose would be served by granting a delay; it would rather deter the implementation of the increase which is needed.

Mr. Finnigan asked if there would be any advantage for St. Regis to have a contract with only two and a half years duration.

Mr. Benedetti advised that at one time there was a lesser contract period, which brought up the rate considerations more frequently, but it had been preferred by St. Regis to have the longer contract period on which to base their planning.

Mr. Corsi asked what adverse effects would be created if the delay was granted.

Mr. Benedetti advised the postponement would delay the implementation of the contract beyond the anniversary date of May 1st.

Mr. Corsi did not feel that a delay until April 20th would be unreasonable. He moved to postpone the resolution until April 20th. Seconded by Mr. Maule.

Roll call was taken on the motion, resulting as follows:

- Ayes 6: Corsi, Egan, Jarstad, Maule, Schroeder and Mayor Johnston.
- Nays 3: Finnigan, Herrmann and Moss. Motion carried.

The Resolution was postponed until April 20th, 1971.

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Mr. Erdahl pointed out to the Council that there are other rate increases to take effect on May 1st and the Department desires to have all rates take effect on the same date, May 1st. He wondered what the Council's attitude would be after they have acted on the ordinance which would make the rate effective for all others except St. Regis. He felt that by the postponement they would be indicating that special consideration was being given to one customer as against another.

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Resolution No. 21090

Authorizing the execution of a deed to the Pioneer Sand & Gravel Company.

Mrs. Egan moved that the resolution be adopted. Seconded by Dr. Herrmann.

Mr. Benedetti explained that this substation site had been acquired by deed in 1958 for use by the City at a consideration of \$100. The deed had provided for reversion to the original owner at a time when the City no longer needs it. The use by the City has now been fulfilled.

Voice vote was taken on the resolution, resulting as follows:

- Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.
- Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21091

Authorizing an agreement with the International Brotherhood of Electrical Workers, Local Union 483, concerning wages, hours and conditions of labor to be retroactive to February 1, 1971.

Mrs. Egan moved that the resolution be adopted. Seconded by Dr. Herrmann.

Mr. Benedetti advised that the Utility Board had not been able to negotiate an agreement with the Electrical Workers Union and had so notified the Council previously. The Council had then provided that more time could be allowed to work out an agreement with this employee group. The union then requested the State Mediator Services to resolve the impasse. The Mediators had recommended a basic increase of 6½% for the journeymen electricians, which would be retroactive to date of contract if agreement reached within 60 days of expiration. The rate would be \$6.05 per hour, the same as has been established by the Cowlitz County PUD and the Pacific Power & Light for operations which are contiguous to Tacoma. The mediator had explained the function of the Mediation Service is to assist the parties in arriving at a satisfactory solution not to act as an arbitrator. He had explained that the recommendation does not need to be in writing; therefore in this case it was only in oral form. The Utility Board approves the recommendation of the Mediator in this matter.

Mayor Johnston read the communication of March 30th from the Utility Board which clarifies the position of the Board relative to its responsibility for setting wages for its employees, so that all Council members and the public would be aware of this authority as provided by the City Charter.

Mr. James Fairbanks, a citizen, opposed the increase in the wages for electrical workers, especially in view of present economic conditions in Tacoma, the 15% unemployment situation and the large number of people on welfare and in view of the increase in utilities rates to be requested in other ordinances later on in the agenda this evening. He pointed out that the salaries of the electrical workers were already higher than salaries of other City employees. He felt the resolution should be postponed for two or three weeks until after the final action on the increase requested for electrical rates. The increase would amount to 50¢ per hour in some cases, plus the fringe benefits, and he commented he would be interested in knowing just what the fringe benefits amounted to.

Mr. Corsi also asked what the fringe benefits included.

Mr. Erdahl advised the benefits were the same as for all other City employees. He further advised that despite the economic situation, the private contractors had given their electrical workers an 8% increase for this year and 8½% for next year. He also pointed out that the recommendation of the Board had been an intermediate amount of increase and that they felt there was no alternative but to recommend some increase.

Mr. Maule commented that the increase in the workers wages and the increase in electrical utility rates was not necessary a cause and effect situation, but something the City would have to face.

Mr. Erdahl advised that the Utility Board had been working on electric and water rates for over a year and the proposed increase in rates had no bearing on the requested increase in wages for the electrical workers. The same series of conditions had existed over the last ten years during the continued general spiral of inflation in all costs not just wages. The difference of 1½% between the present 5% and the proposed 6½% would amount to approximately a \$50,000 increase in salaries, but the increase in the utility rates for the City would amount to approximately \$2½ million income for the Light Division.

Mr. Ronald Miller, business manager for the Electrical Workers Union, commented that the union does not feel a necessity to subsidize the operation

of the electrical utility. The utilities compete outside the City with private companies and they consider equal pay for equal work a fair practice. He said the union is not happy with the recommendation by the Mediator and accepted it only after lengthy negotiations and consideration of economic conditions.

Mayor Johnston said that during the City budget considerations they had agreed to an across-the-board 5% raise for City employees and now are being confronted by the Union with a request for an additional increase. He questioned why the electrical workers felt they are entitled to a larger raise than the other employees in the family of City Employees.

Mr. Miller replied that City electrical workers were performing the same hazardous, skilled work as employees of competitive companies and therefore should receive equal compensation. Other City employee services are not in competition with private industry.

Mayor Johnston compared cab drivers with bus drivers and felt Mr. Miller's argument would not be a very strong one.

Mr. Moss felt that any solution reached after the studies, negotiations and bargaining by the parties involved was, in fact, the best possible answer.

Mr. Corsi did not see any justification beyond the 5% which had been negotiated and previously granted to City employees. He pointed out that the Council had reviewed the amount of moneys that would be forthcoming and could not justify going beyond that.

Dr. Herrmann remarked that the usual policy of the Council had been to grant equal pay for equal work as indicated by granting the uniformed personnel larger pay increases than the category of Clerk-Typist and other similar-type jobs. However, the 5% across-the-board raise granted by the Council the beginning of the year 1971 was an unprecedented occurrence. Moreover, when speaking about "equal workers" the only equal workers involved are those who are in the Union who are involved in the other utilities, and they cannot be compared in Tacoma as there is no other group doing the same kind of work.

Mr. Finnigan pointed out that he did not abide by the equal pay for equal work policy, and questioned how many City employees had been laid off as compared with private industry in the electrical workers category.

Roll call was taken on the resolution, resulting as follows:

Ayes 7: Egan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 2: Corsi and Finnigan.

The Resolution was declared passed by the Chairman.

Resolution No. 21092

Authorizing the execution of an application for a grant under the Omnibus Crime Control and Safe Streets Act of 1968 in the amount of \$23,662.00 for a training program for administrators and supervisors in the Police Department.

Dr. Herrmann moved that the resolution be adopted. Seconded by Mrs. Egan.

Police Chief Lyle Smith explained that the Omnibus Crime Bill passed in 1968 and amended in 1970 contained three basic provisions: (1) To provide funds for grants, (2) encouraged local and state law enforcement systems to engage in long-range planning and (3) encouraged research in new techniques for local problems. Thereby, if this resolution is passed, the Department would be authorized to hire a man trained in this aspect in order to perform research work and plan a training program for supervisors and administrators in the Police Dept. There is no stigma of federal control involved. The law simply requires the City to meet

the qualifications outlined in the grant.

In reply to the Mayor's question relative to evidence that this program has been productive in other cities and areas, Chief Smith indicated that all modern-day law enforcement agencies are currently seeking funds and applying for grants for the purposes heretofore mentioned.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21093

Renewal of the contract between the City and the United States Dept of Justice, Bureau of Prisons, for the safekeeping, care and subsistence of Federal prisoners.

Dr. Herrmann moved that the resolution be adopted. Seconded by Mr. Corsi.

Chief Lyle Smith advised that the new federal contract reads the same as the prior one with the exception of the rate charged per day for federal prisoners, the old rate being \$3.00 per day and the new one \$6.00. The federal government will reimburse the City in that amount. The contract is for three years, but the City has the option to re-negotiate at any time and this is, in fact, the intent of the Department if costs continue to rise. The Department has advised the Federal Marshal to this effect.

Mr. Schroeder said that when the Council members had been invited to lunch with the prisoners in the City jail recently, he felt the food and services were adequate.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

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Mayor Johnston moved to suspend the rules in order to consider Resolution No. 21109 next on the agenda. Seconded by Mr. Jarstad. Voice vote was taken and motion carried.

Resolution No. 21109

Authorizing the purchase of \$1,500,000.00 Sewer Revenue Bonds of the City of Tacoma to W. H. Morton & Company.

Mr. Corsi moved that the resolution be adopted. Seconded by Mr. Finnigan.

Mr. Clar Gaisford, Director of Finance, explained that the sealed bids for the sale of \$1.5 million sewer revenue bonds had been opened at 2:00 P.M. on this date, March 30th, and the low bid was received from W. H. Morton & Company, a division of American Express, at an effective rate of 5.81626. The high bid was by Walston & Company at 6.29. The maturity dates on the bonds are May 1, 1998, through May 1st, 2001, at a definite interest rate of 5.75%. The City's

financial advisors, McLean & Company of Tacoma, have advised that the low bid is a very good bid for the sewer revenue bonds. The interest on these bonds is 2% below that of the utility bonds recently sold by the City and the savings would amount to \$840,000.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

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The Council recessed from 9:00 P. M. to 9:25 P.M., at which time the Mayor reconvened the meeting.

Before proceeding with the next order of business on the agenda, Mayor Johnston read a Proclamation designating the month of April as Bowlers Month in Tacoma. For the first time in eleven years, the Washington State Bowling Tournament will be held in Tacoma on the four weekends of April and the first two weekends in May. The Mayor urged all to participate in this event and enjoy the tournament. He presented the proclamation to Mr. Art Childers, president of the Washington State Men's Bowling Association.

Mr. Childers thanked the Council on behalf of the 20,000 present in Tacoma at this time and introduced Mr. Dick Orr, the Chairman for the event.

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Resolution No. 21094

Authorizing the execution of an owner participation agreement with Peoples National Bank of Washington on property in the New Tacoma Urban Renewal Project Wash. R-14.

Mayor Johnston moved that the resolution be adopted. Seconded by Mr. Finnigan.

Mr. Gary Sullivan, Director of Urban Renewal, explained that Resolutions No. 21094 and No. 21095 are companion resolutions and also Substitute Resolution No. 21095 and are being presented to the Council for consideration. He suggested that the three resolutions be discussed together, because if Resolution No. 21095 is not adopted, there will be no action taken on Resolution No. 21094.

Resolution No. 21095

Accepting a bid for the purchase of Parcel 18 in the New Tacoma Urban Renewal Project from Peoples National Bank of Washington in the amount of \$150,000.

Mayor Johnston moved that the resolution be adopted. Seconded by Mr. Finnigan.

Mr. Gary Sullivan stated Resolution No. 21094 pertains to an owner-participation agreement with Peoples National Bank relative to the 50 feet adjacent to the 90 foot parcel they hope to purchase from the City at this time, making a total assemblage of 140'. They would demolish the buildings currently existing on the two lots at

their own expense and develop the property pursuant to the Urban Renewal Plan. The City, of course, would demolish the buildings on the 90' corner lot they bid on. However, if United Mutual Savings Bank is awarded the bid, the owner-participation agreement would then become null and void and in that case, the two buildings would remain.

Mayor Johnston felt that both bidders should be given an opportunity to present their plans to the Council. Peoples National Bank was selected to speak first inasmuch as they had been listed on the agenda.

Mr. Harold Rogers, president of Peoples National Bank, introduced Mr. Frank Bourque, vice president in charge of their building developments. Mr. Bourque presented illustrations and plans to the Council. He stated that they plan a two-phase development. They plan a two-level parking facility which would cover the full 140'. They plan to add three stories to the banking facility in the future, but have no definite timing on this.

Mr. Rogers added they have already invested a considerable amount of money and felt that their plans would fit well into the aesthetic posture of Tacoma. No other branch bank of theirs would be closed down in order to build, but the present smaller branch at 12th and K Street would be moved to the proposed downtown branch.

If Peoples does not become the successful bidder, they do not plan to build on the two lots they already own in that location nor do they presently have any plans for building at another location; they have made no decision whether they would sell it or retain it. The investment planned for Phase I would be \$500,000 and for Phase II would be an additional \$700,000 or \$800,000.

Mr. Howard Scott, president of United Mutual Savings Bank, pointed out theirs had been the initial bid for the property and that their bid of \$150,000 would bring \$60,000 more to the City than the minimum bid of \$90,000. Their plan would be to have a one-phase project which would commence by January 1, 1972, and be completed by January, 1973. There would be a five-story building, which would cost approximately \$1.2 million and, therefore, the initial addition to the value of the property would be very substantial and have a substantial tax base for the City. Tacoma architectural and construction firms are being used for the building planning and there will be no problem in obtaining approval from the State Supervisor of Banking to change United Mutual main office to the new location. There would be approximately 50 employees at the new branch and they feel confident that they can build a fine, productive facility to serve the community.

Mr. Doug Babbitt, architect for the United Mutual building, commented that the building had been planned in conformity with urban renewal guidelines, included a set-back from the street and open space as required. This bank now participates in the Plaza parking and would continue to have the customers utilize that facility.

Mr. Schroeder questioned the height limits established by Urban Renewal.

Mr. Gary Sullivan explained that the limit for that parcel of property is one story above the Broadway Street level. The height limitation, the other specified requirements and the \$90,000 minimum bid were all set as a result of studies done sometime ago by various consulting firms which were hired by the Council sitting at that time. Mr. Sullivan further stated that the more restrictions placed on the use of the land, the less valuable the land may become.

Mr. Sullivan commented that if Peoples gets the bid, they would actually be paying more for the piece of property than the re-use appraisal considering the restrictions they are to abide by.

Mr. Sullivan pointed out that according to the City Attorney, whom he was not speaking for, these one-story situations can be evaluated by the Council and, if the Council prefers to have four stories, it is free to favor that. It is a matter of judgment for the Council.

Another matter for interpretation by the Council is the parking situation. According to the Urban Renewal Plan, Peoples National Bank would only be required to put in six parking spaces; whereas they have proposed to have 49 spaces. On the other hand, United Mutual does not propose to provide for any parking at their facility. Mr. Sullivan pointed out that neither the Dean Witter Building nor the Commonwealth Title Company has provided for any on-site parking. However, the Plan says that if parking is provided within 800', it would meet the requirements of the Plan. This necessitates the interpretation of the Council as expressed by the legal opinion rendered when the urban renewal policies were originated in Tacoma. It was previously determined, of course, that there were as many as 1,137 parking deficiencies in the downtown area, but at present there are the parking garages to help solve the problem. However, if a banking facility is allowed, with no parking facilities, the situation might again be reversed. It would be a matter for the Council to decide whether or not they wished to allow a banking facility which would have parking 800' from the site.

Mr. Schroeder felt that if the Urban Renewal Plan is developed as originally conceived, with low construction of buildings on Broadway, it would create a small town, nearly pastoral-appearing area, rather than having the important City Center which the Council hopes it will be in the future.

Mr. Schroeder pointed out that the Council should consider the United Mutual proposal a better offer inasmuch as the tax base for the City would be greater. He asked, however, if the Urban Renewal Plan could be changed to accommodate a four-story building would Peoples Nat'l Bank still plan to have the one-story construction.

Mr. Rogers replied that they would have to make a further study to decide if they could do that. He pointed out that the two phases planned by them were considered together. He said he would not like to mislead the Council relative to the timing on the second phase as they had thought they would be the only ones interested in the site at the time they purchased the two adjoining lots and had only recently learned of the competition by the other bidder. They had up until the present been planning according to the guidelines and the code restrictions set up by the City.

Mr. Corsi felt that according to all the aspects mentioned in Mr. Sullivan's letter to the Council relative to the points to be considered for each proposal, the selection would be a "toss up."

Mr. Moss commented that if the site control plan would allow a building with a little more boldness of design as has been proposed and which follows the guidelines of the Urban Renewal Plan, it would result in some serious competition. He would like to see more of this in the City. Another feature in making the determination would be the difference in the taxes. The Peoples Bank proposal would bring \$12,500 in taxes at completion, whereas the United Mutual would bring \$31,619 in taxes to the City. Therefore, there would be a \$19,000 tax loss from inception, except that the two buildings existing on the site are paying taxes now.

Dr. Herrmann pointed out that when the parking garages were designed provisions were made to add additional space and double the capacities. They would be eager to go ahead with the added construction if it is required.

Mrs. Egan asked for clarification on how Peoples banking facilities would meet the Urban Renewal requirements for open space.

Mr. Sullivan explained that the Urban Renewal Plan calls for a set-back of 60'; Peoples has a 40% set-back as open space and United Mutual has 32.5%. The recommended total lot coverage is 40%; Peoples has 31% and United Mutual has 59%. The recommended coverage at the Broadway Mall level is 40%; Peoples has 31% and United Mutual 42%.

Mayor Johnston felt that the architectural element recommended by United Mutual for the property is more consistent with what that particular corner in Tacoma should reflect and United Mutual has shown its dedication to the City by its original bid for the property.

Mr. Jarstad remarked that the decision on this matter might serve as a bellwether for future conditions in Tacoma as the downtown properties are becoming increasingly valuable and, regardless of whichever company is awarded the bid, there is a need to look closely at the general plans of the City in this regard.

Mayor Johnston moved that the Council adopt Substitute Resolution No. 21095: Accepting a bid for the purchase of Parcel 18 in the New Tacoma Urban Renewal Project from United Mutual Savings Bank in the amount of \$150,000. Seconded by Mr. Finnigan.

Voice vote was taken on the substitute resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

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Mayor Johnston moved to remove Resolution No. 21094 from the agenda. Seconded by Mr. Finnigan. Voice vote was taken. Motion carried. The resolution was removed.

* * * * *

Resolution No. 21096

Authorizing the execution of a grant agreement with the United States to carry out a comprehensive City Demonstration Program.

Mr. Moss moved that the resolution be adopted. Seconded by Mr. Schroeder.

Mr. Frank Russell, Director of Model Cities, asked that the record show that his Department has provided the Council with a completely revised package of adequate resource material as re-programmed and that data had been provided relative to what the Department had been required to do with respect to the re-programming. And further, that there had been a review in the Council Study Session, of the Model Cities Program as submitted to HUD in October, 1970, which was approved by Secretary Romney in February, 1971. Also, that the Model Cities Executive Board submitted a letter to the Council indicating its support and recommending that the Council pass a resolution to contract with the Government for a Demonstration Program Fund in the amount of \$1,849,000. And further, that the Department is requesting that the Council authorize the first withdrawal in the amount of \$854,000, as shown in the revised budget, and that the Council will subsequently have an opportunity to review and approve a budgeted program in the amount of \$995,000, which would then in fact be the total of \$1,849,000.

In reply to Mrs. Egan's question relative to the administration of the finances as they relate to the City Finance office, Mr. Clar Gaisford, Finance Director, advised that the Model Cities Dept. will have its own finance officer as one of their staff members as well as an Accountant I and II. These three employees will handle all Model Cities accounting, but any vouchers for

expenditures must be submitted for approval by the City Finance Dept. and only those recognized as legal expenditures for the Program will be approved and paid.

Mr. Jarstad asked if people were coming in to the Model Cities to ask questions about the program.

Mr. Russell advised the C.D.A. staff would make themselves available to provide any information desired and were receiving many inquiries. Twenty per cent of the staff time at present is being devoted to interviewing applicants for new jobs in that Department and answering various other questions relative to the program.

Mr. Tom Wells, 841 East 48th, a citizen, said that he felt if the Council passed the resolution on the Model Cities Program, it would be interfering with the unions right to bargain and result in the breakdown of Civil Service. He advised the Council that he had distributed a number of C.D.A. Letter No. 11's and a letter from the Dept. Housing & Urban Development. Mr. Wells read a letter he had written to the Civil Rights Commission and a letter that Councilman Moss had written to Assistant Director of Civil Rights in Los Angeles.

Mr. Moss replied that he had worked with Civil Service and with organized labor in trying to bring members of minority races into organized labor rather than trying to tear down their criteria.

Mr. Fairbanks, 4850 So. Thompson, a citizen, commented that he agreed with Mr. Wells and he felt the Council should consider the contents of an article in the newspaper regarding HUD having the final voice before passing the resolution.

The Clerk was asked to read the Title of the resolution again so that the public could more accurately determine the contents of the subject at hand.

Mr. Fred VanCamp, Business representative of the Civil Service League, asked if the passage of this resolution would authorize the implementation of the CDA letter.

Mr. Robert Hamilton, Acting City Attorney, advised that according to the resolution there is no direct reference to the CDA Letter in the proposed agreement.

Mr. VanCamp referred to Par. 2 of the Resolution and asked if that indicated that the authorization for executing the Model Cities grant agreement would be taken out of the City Council's hands and placed under administration by the City Manager as relates to CDA 11.

Mr. Russell advised that Mr. VanCamp, members of the City legal staff and he had attended a conference in Seattle relative to the preparation of a proposal to be submitted to the Regional office of HUD. The CDA Letter was reviewed at the Seattle conference, but is not an aspect of the resolution before the Council at this time.

Mrs. Virginia Shackelford, 1105 No. L, referred to Sec. 103 of the Comprehensive Program for Model Cities, which stated that "any program adopted must be of sufficient magnitude to contribute to the sound development of the entire city." She asked if the Comprehensive Program to be implemented would include the entire city or be confined within the boundaries as presently established.

Mayor Johnston stated that as he understands it, the program will apply within the boundaries defined, but as he had indicated many times before, one of the great values of the program is to find solutions to problems that exist throughout the City and if the solutions are logical, they can be then applied wherever the problems exist.

Mrs. Shackelford asked if the public would be allowed to vote on whether the program could be applied to the entire city.

Mayor Johnston indicated that he would not think this would be done.

Mrs. Shackelford also asked if the contract could be implemented without having the "workable program" formulated.

Mrs. Shackelford pointed out that a "workable Program" is a prerequisite, which includes many other programs such as the Neighborhood Development Program, Community Renewal Programs, Neighborhood loans and grants, etc., and that the Model Cities Program has been worked on since last May and there still is no "Workable Program." She asked if the contract with the government could be implemented without having the Workable Program.

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Mr. Arthur G. Richardson, 314 No. "G", asked if the Council proposes to abide by the law as established by its superiors.

Mayor Johnston explained that every Council member takes an oath and therefore, is well aware of what it means. However, he did not feel that was relevant to the subject in hand.

Dr. Herrmann commented that Mr. Russell has associated with a number of other Model Cities Directors in other cities and asked if there had been any destruction of Civil Service policies on the part of the CDA 11 policies.

Mr. Russell replied that there is no identifiable record of Model Cities Programs across the country which would indicate that the programs have caused deterioration of unions or Civil Service operating with those municipalities. Mr. Russell agreed with Dr. Herrmann and felt that the question of CDA No. 11 is a serious one; he felt that the City has been dealing seriously with that question. He said he could understand Mr. VanCamp's concern for CDA No. 11 as he was interested in the Civil Service System, being elected and paid by the Civil Service League.

Mr. Russell said the people in this city must understand that there are aspects which might need review in connection with the present Civil Service Systems. The crux of the matter is that there is no material which indicates that the CDA 11 would cause any hardship to Civil Service employees nor is there any special protection built into it for persons who would be hired. The proposal required to be submitted as a workable supplement must be developed in concert with the present Civil Service System, with the Civil Service Board, City Personnel Dept. and then be reviewed by the Council. It will then be either adopted or rejected.

Mr. Jarstad commented that the Council members had recently attended a conference in Washington, D.C. with many mayors attending and it had been the unanimous feeling that persons who govern the cities do not like the 700 odd programs which have been designed by the federal bureaucracy in order to return to the cities some of the money collected from income taxes. There is the opportunity to either accept the programs or not accept them. The Nixon administration has made strong efforts over the last two years for revenue sharing and for block grants so that the money can be returned directly back to the cities.

The officials of the cities have been asked to return to their cities and determine what they want; therefore, he asked how many people had ever written to their congressmen to support revenue sharing. He said he doubted if anyone present had ever led a campaign in support of the first serious efforts for the revenue sharing in the city. He advised that if any person is interested in this area and wants to be active, it is one which could be followed up on.

Mr. Jarstad pointed out that the Civil Service aspects had been carefully explained to the Council in study session and the ruling is that when the projects are over, some employees will go off Civil Service status and some will not, depending on the category of the job.

Mr. Jarstad pointed out that before any more money is allocated in the program, the matter will be returned to the Council for subsequent additional approval.

Mr. Moss commented the CDA Letter is an important step in the City's progress and it is important to reflect upon what has made that particular neighborhood eligible to be a Model Cities neighborhood. The program is designed to change the kind of life in that neighborhood; to make it better and more productive. It is important to make the residents feel they are part of the productive system. The CDA Letter points out the failures in other Model Cities areas and recommends maximum participation by residents of the Model Cities communities. Letter No. 11 requests that all factions get together and change some of the barriers which have prevented the Model Cities residents from becoming full-time wage earners.

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Mr. Moss pointed out that changes are often dealt a severe blow by those who fear it, while instead they should be working together to bring it about and urged that this kind of paranoia be prevented from setting it. We should collectively try to help that one area demonstrate how the rest of the City can be more productive and a better place to live.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21097

Providing for the classifications and salaries to carry out the Model Cities Program.

Mrs. Egan moved that the resolution be adopted. Seconded by Mr. Schroeder.

Mr. Stanley Bixel, Personnel Director, stated that the Personnel Dept. had reviewed the salary schedule set for the implementation of the program and set the classifications according to the duties involved as related to the salaries already existing in the Model Cities Dept., other City Departments and also in relation to Portland and Seattle. These are temporary positions and come under the project concept authorized under the Civil Service Rules, such as major independent construction projects and the urban renewal projects.

Mr. Maule asked who would be hiring the employees and who would evaluate their performance.

Mr. Bixel advised that the employees in the project positions would be appointed by the Model Cities Director with approval by the City Manager. The tenure of office would be the same as other comparable City service jobs. Job evaluation would be by the Model Cities Director or the administration staff of that department. Screening and recommendations will be made in accordance with the City Charter rules relative to the minimum requirements.

Voice vote was taken on the resolution, resulting as follows:

Ayes 8: Corsi, Egan, Finnigan, Herrmann, Jarstad, Moss, Schroeder and Mayor Johnston.

Nays 1: Maule.

The Resolution was declared passed by the Chairman.

Resolution No. 21098

Accepting and approving the Final Plat of Dickinson Addition in the vicinity of East 65th, East 66th and "S" Streets. (Sleavin-Kors, Inc.)

Dr. Herrmann moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21099

Awarding contract to E. J. Rody & Sons on its bid of \$5,870.00 for W. O. 91148.

Mr. Corsi moved that the resolution be adopted. Seconded by Mrs. Egan.

Mr. Gib Schuster, Public Works Director, explained this project was for a small replacement of sanitary sewers and is budgeted in the regular sewer utility department budget. The present line has collapsed and must be replaced. The bid is below the Engineer's estimate.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21100

Awarding contract to Woodworth & Company for L.I.D's 4915 & 4958 and W. O. 91143 & 91144 to its bid of \$79,614.24.

Mr. Finnigan moved that the resolution be adopted. Seconded by Mr. Corsi.

Mr. Schuster advised the contract is for construction of concrete curbs and gutters in two LID areas and will include replacement of two sewer sections which will need attention soon, rather than coming back later and doing that separately.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21101

Fixing Tuesday, April 13, 1971 at 7 P.M. as the date for hearing on the ordinance Text amendment establishing a filing fee and processing procedure for open space taxation applications.

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21102

Fixing Tuesday, April 13, 1971 at 7:00 P.M. as the date for hearing for the rezoning of the east side of So. "C" between So. 27th and 28th Streets from an "R-4" to a "C-1" District. (United Teamster Bldg. Assn. Inc.)

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21103

Fixing Tuesday, April 13, 1971, at 7:00 P.M. as the date for hearing for the rezoning of the east side of Lawrence between So. 45th and So. 47th Streets. (Kuzmanich & Hackler)

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21104

Fixing Tuesday April 20, 1971, at 7 P.M. as the date for hearing for rezoning of the east side of Proctor St. between So. 12th & 13th Street extended. (Pettibone Bros. Chiropractic Clinic)

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21105

Fixing Tuesday, April 20, 1971, at 7 P.M. as the date for hearing for rezoning of the area between So. 47th & 48th and between Wilkeson St. and F.A.I. #5 from an "R-2" to an "R-2-T" District. (Petition of Dr. John B. Dodge)

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21106

Fixing Monday, April 26, 1971 at 4:00 P.M. as the date for hearing L.I.D. 5507 for water mains in East "J" from East 66th to East 68th and in East 66th from East "I" to East "J".

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.
Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21107

Fixing Monday, April 26, 1971 at 4:00 P.M. as the date for hearing L. I. D. 4969 for paving on No. 9th from Madison to Stevens; Monroe from No. 9th to No. 10th and other nearby streets.

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.
Nays 0. The Resolution was declared passed by the Chairman.

Resolution No. 21108

Fixing Tuesday, April 27, 1971 at 7:00 P.M. as the date for hearing for the vacation of Herriott St. from Waterview to No. 48th and nearby alleys. (Ernest Carlsen, et al)

Mr. Maule moved that the resolution be adopted. Seconded by Mrs. Egan.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.
Nays 0.

The Resolution was declared passed by the Chairman.

Mayor Johnston moved to suspend the rules so as to consider Resolution No. 21110 nominating a new full-time judge for the City Municipal Court. Seconded by Mr. Finnigan. Voice vote was taken and motion carried.

Resolution No. 21110

Nominating Erling Tollefson as a full-time Municipal Judge to fill the unexpired term of the position created by the State Legislature.

Mr. Corsi moved that the resolution be adopted. Seconded by Mr. Finnigan.

Mayor Johnston explained that the resolution had just been inserted into the agenda due to the fact that the Bar Association had just presented the five names for consideration and the new court facilities would be ready by April 4th of this week. Mr. Frank Burgess, one of the five nominees, had requested that his name be removed. The Mayor stated he knew the Council was aware of the policies in such matters and hoped they would concur in his nomination.

Mr. Robert Hamilton, Acting City Attorney, explained that inasmuch as the Justices of the Peace were just elected in November, 1970, the new Judge would serve until January, 1975.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Corsi, Egan, Finnigan, Herrmann, Jarstad, Maule, Moss, Schroeder and Mayor Johnston.

Nays 0.

The Resolution was declared passed by the Chairman.

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Mr. Corsi stated that he had consulted with Mr. Hamilton and determined that Ordinance No. 19258 should still be on First Reading rather than Final Reading as listed inasmuch as it had been referred back to the Planning Commission at the prior first reading. This will allow the citizens who had not previously spoken to participate at this time.

Mayor Johnston so directed.

FIRST READING OF ORDINANCES:

Ordinance No. 19258

Amending Chapter 13.06 of the Official Code to include property on the east side of "M" Street approximately 120' north of So. 38th in a "C-1" District. (Petition of Shell Oil Company)

Mr. Joe Quilici, Principal Planner of the City Planning Dept., advised that the Shell Oil Company petition had been presented to the Council five months ago on December 1st on First Reading of Ordinances, and was referred back to the Planning Commission for further consideration.

All of the information has been submitted to the Council at this time and includes all of the pertinent minutes of the Planning Commission and those of the City Council as well as communications from residents approving and those opposing the petition for rezoning. The letter of March 15th now being submitted indicated the re-affirmation of the Planning Commission's recommendation of approval.

Mr. R. E. Grant, representative of Shell Oil Company, explained that the Company has made exhaustive studies to determine the total feasibility of locating an up-to-date redevelopment at that corner and the adjacent property is already zoned "C-1". Except for one station, all other service stations in the area are on the opposite side of 38th Street, and traffic crossing over to the other side would be hazardous. The oil companies themselves are limited in the number of stations they install, because of high costs of property, labor, etc., and in the last five years, the Shell Company has eliminated five service stations in Tacoma for various reasons and have only built one station in the City.

Mr. Grant pointed out that by not allowing newly developed stations, the City would be creating obsolescence as the smaller older stations would remain as long as they are allowed. However, if faced with competition by new stations, they would be forced to update the old ones. As a result, the City would have better appearing neighborhoods.

Mr. Grant pointed out that the other stations on 38th Street would be serving the traffic coming off the freeway; whereas the Shell station would be catering to traffic going onto the freeway. The traffic patterns have changed since the inception of the freeway. Mr. Grant added they plan to invest \$100,000 in the service station.

Mrs. Egan referred to her prior statements in opposition to adding a fourth service station at that location and presented a petition in opposition containing signatures by fifty residents.

Mr. Corsi announced that he would express his views in opposition next week upon final reading.

The Ordinance was placed in order for final reading.

Ordinance No. 19318

Amending the pay and compensation plan for Fire Service employees.

Mr. Bixel explained there has been a gradual reduction in the number of hours the firemen work; therefore, the daily rate computation would be changed. This would conform with the current practices in the Police Dept. The new formula has been determined by the Fire Chief, the union and the Personnel Dept. and will result in savings to the City.

The Ordinance was placed in order for final reading.

Ordinance No. 19319

Providing for adjustments in water rates.

Ordinance No. 19320

Providing for adjustments in electrical rates.

Ordinance No. 19321

Amending the Electrical Code.

Mr. Benedetti suggested that in order to save the Council's time, the three ordinances might be considered together.

Mayor Johnston so ordered.

Mayor Johnston read a letter from Mr. A. A. Bradley, Chairman of the Utility Board, addressed to the City Council, transmitting recommendations and data relating to the proposed ordinances and stating that the Utility Board would like to have it clearly understood that this is an action necessary and initiated by the Utility Board and that Section 4.11 of the City Charter authorizes the Utility Board the powers and duties to fix "rates and charges for utility services." The rates recommended by the Board are essential to the Department's ability to maintain adequate and reliable service to the City's customers.

Mr. Al Benedetti advised that it has been 14 years since there has been an adjustment in water rates and 10 years since the last adjustment in electrical rates except for one in the industrial rates midway from 1960 to 1970. Costs of doing business have risen substantially and in addition, the costs of procuring money needed in order to expand the utility plants have increased. Labor costs have risen 66%; whereas the customer's price index has increased only 32% over the 10-year period. There has been a 20% increase in the number of services performed by the Department, but they have attempted to mechanize and increase the efficiency. They have actually decreased the number of employees by 7% in order to try to delay the necessity of increasing the rates. The point has now been reached where the demands of the systems for maintenance, operation, replacements and provision of the necessary electrical and water loads to the City demand the adjustment.

The matter has been studied for over a year and discussed with all classes of customers, including industrial, schools, residential, etc., and also involved the advice of outside consultants in order to make proper recommendations. The increases recommended are believed to be adequate, but necessary, to carry on the needed utilities service functions. It is expected that the rates will be adequate for the next five years unless there are unusual circumstances.

The basic recommended increase for water is approximately \$12.00 per year for residential customers, an increase of 25% and for electrical usage it is basically 12%. The total annual increase for the normal residential customers would total approximately \$27 per year for both electric and water service. Even with the increased rates, Tacoma will still have one of the lowest power rates and water rates in the country and will still retain the high quality of service. Tacoma is one of the last areas to request increased rates.

A few months ago the Council approved a major expansion to provide the water which will be necessary in this geographic area, as the average daily consumption rate has now exceeded the supply from the Green River transmission line. Another source has been developed which can bring additional water into the City over another transmission line. It was necessary to do this at this time in order to go from the planning stages to the productive use within ten years.

Steps have also been taken to insure an adequate electrical supply. The Cowlitz projects are serving the City well and have put the City in one of the most favorable positions in the Northwest. Additional costs are being incurred, however. The fisheries program requires capital costs and is running in excess of \$800,000 per year. Emphasis on underground electrical wiring and new construction of facilities has also added to the additional costs of the type of service being demanded by the community.

In reply to the Mayor's question about the existing charges on water and what it would be in the future, Mr. Benedetti explained the minimum charge is \$1.50 per month now and would be raised to \$2.50 per month for residential uses. Three units of water are included in the minimum use and anything beyond that is charged at 13½¢ per 100 cubic feet (which is one unit). There has been no basic increase recommended in the use charge, but a customer will pay \$1.00 per month more on his billing. In the commercial or industrial uses, however, the use rate charge has been increased as well as the minimum charge.

In reply to the Mayor's questions relative to the increases in charges to the City for street lighting and for water, Mr. Benedetti advised that the increase for street lighting would be 15%, resulting in a \$22,000 increase and bring the \$150,000 per year charge to \$172,500. The \$35 per hydrant charge for water established some years ago would not be affected.

In reply to the Mayor's question why the Utilities Dept. had waited so long before coming to request a raise in rates, Mr. Benedetti advised that they felt it

would be difficult to ask for an increase as based only on projected estimates. The trend could be seen a year ago and it has now been confirmed that the reasons were not merely a result of the present economic recession but the result of increased costs. The Utilities Dept. had wanted to eliminate the possibility that the condition might be only temporary. The Department had been able to go for the 14 years without raising the water rates, partially as a result of having previously developed a large water supply, which was beyond the immediate needs of the City at that time. Constructing the larger facilities had not cost substantially larger sum as the costs and the interest rates were lower at that time.

Economic practices have been maintained in the Light Division. They have utilized new equipment which is more efficient, negotiated contracts which provided advantages to the City and had a refund on bonds which had been previously sold at a high rate of interest resulting in a substantial savings.

In reply to the Mayor's question about alternatives and what would result if the Council did not concur in the Board's recommendations, Mr. Benedetti replied they would be in trouble this year inasmuch as the anticipated additional income had been anticipated in the 1971 budgets for the Department. In the event of non-approval, there would have to be very severe curtailments, especially in the Water Division, as it would wipe out the capital program.

Urban Arterial programs in the City demand that the Utilities Dept. go out and move or replace facilities and normal replacements must be made as equipment wears out. In addition, the bond coverage factor provides that it is the duty of the Utilities Dept. to maintain rates sufficient to maintain a level of coverage which will guarantee the bond holders the assurance that they expected at the time of the purchase.

Mayor Johnston asked if it would be possible, instead of raising the rates to what would be adequate to carry the utilities programs for the next five years, to raise them only enough to carry the City for two and a half years.

Mr. Benedetti said it would not work out that way inasmuch as the expenses and revenue had been projected on reasonable estimates over a five-year period so as to have adequate revenue with no reserves included. The projected inflation has been decelerated in the estimates and the recommendation of the Utility Board and the consultants is the absolute minimum that can be allowed.

In answer to Mr. Maule's question about the price per unit of water, Mr. Benedetti replied the minimum monthly charges would be made in accordance with the schedule for each type of meter...residential, industrial and commercial. In the residential meters there would be approximately 50% increases overall. All changes have been outlined in the data passed out to the Council at the study session.

Mr. Maule asked if there was anything that could be done to alleviate the situation, especially in view of the 16% unemployment and the current poor economic conditions in the Northwest area. Mr. Benedetti advised that the need for increase could not be erased. The City would not be in a position to do what has to be done in the utilities service work unless the increases are implemented.

Mrs. Egan asked why utilities service would be changed if the increased rates were not put into effect.

Mr. Benedetti advised that the Utilities Dept. could not meet its bills, over which they have no control; water mains would not be moved in order to build the new highways being authorized; and employment in the Department would have to be reduced to a level where adequate service could not be provided in the City; and they would not be able to abide by the budget.

Mr. Cliff Erdahl, Director of Utilities, commented that he would like to add to the answer given by Mr. Benedetti to Mrs. Egan's question. He stated the Utilities Dept. had already made commitments regarding the bond issue, and if the revenue was not adequate, they would have to take the \$2,500,000 gross revenue tax

in order to pay the bond issues, and keep their accounts going. He also stated that many things such as wind storms are hard to predict. It is impossible, also, to predict whether there will be a "good water year" or a bad one where the City would have to purchase additional power, whereby it could make a difference to the City as much as \$1 million. Evaluations have to be made over a period of years for such circumstances. Commitments for services have already been made.

Mr. Corsi commented that he had received innumerable objections to the raise in rates from all classes of customers, ranging from the people on welfare to the City's business corporations. He pointed out that when private industry finds itself in a similar predicament it has to cut back somewhere. Even though the Utilities Dept. states it has to have the increase, the people cannot pay it. The people will say, if the level of service has to be cut back, that is what will have to be done. Mr. Corsi continued that the fact the rates would still be the lowest in the nation would not appease the public or be any consolation to people having difficulty putting food on the table. He affirmed that this is a very poor time to raise the rates. It might have been more appropriate for example in 1968.

Mr. Corsi felt that if the increase was not approved, the Department could somehow maintain itself.

Mr. Erdahl stated that some cutbacks were just not possible, if the City is to continue to serve the people. Mr. Erdahl projected that if people decided they would let the present rates remain in effect and take their chances on the future, it would not be possible. The justification for the increase in rates does exist. The Department could not operate if the increase were reduced to half of what is requested. He pointed out that the rate had not been set up in order to have a surplus. Mr. Erdahl admitted the times are extremely critical; it can easily be detected in the accounts receivable in the Utilities Dept. He stated that he had not been approached with the "static" of opposition. There had been two public hearings, where the public had been invited to come in and express their views. Wholesale and industrial customers, as well as schools representatives came, but only two private citizens came. They all said they were opposed to rate increases, and Mr. Erdahl himself said he does not favor the increases even though they are necessary.

Mr. Moss felt the people could not stand any more strain in these crucial times.

Mr. Finnigan asked how Mr. Corsi thought the people would have felt if the rates had been raised back in 1968, and further if Mr. Corsi had taken his data and information of the people to the Utility Board Hearings.

Mr. Corsi stated he was only expressing the feelings of his constituency as this was his responsibility.

Mr. Erdahl pointed out that even if the Council decided not to adopt the increases, the City has a commitment to the bond holder. He stated that as an alternative, the Utilities Dept. could discontinue paying the gross revenue to the City in order to meet the bond holder's requirements. Some time ago the Council voted to have the gross revenue tax as a junior lien to the bond covenants in order to earn a better interest rate on the bonds. He stated, however, if an unexpected calamity arose, he absolutely would not know what could be done to allow continued service to the people. If there is not enough electric power to take care of the industrial plants, there would be even more unemployment in the area. And if that occurs it would be too late to come back to the Council. The City is really not in a position to say it will not impose a rate increase. He admitted he was not attempting to advise the Council not to impose the increase, but stated that the problem would not be solved by turning it down.

Mr. Jarstad commented that he had read the Utilities Dept. Profit and Loss Statement in an attempt to determine possible alternate methods of effecting a savings, and had noted the amount of depreciation in the last 12 months had increased by \$1,191,000.

Mr. Erdahl explained this has been caused by the fact that the Cowlitz project was built and the equipment all had to be entered on the depreciation schedule. In

addition, \$20 million had to be spent for facilities for the fish, inasmuch as the Department is required to provide for the ladders, escapement, food and habitat for the fish whenever dams are built to obtain electrical power. Other items which affected the department's budget included the ecology and environment aspects, and the bond issue assessment on the Dept. All of these are large commitments. The Dept. cannot say "We are sorry, we are just not ready for a rate increase."

Mr. Corsi asked if Mr. Erdahl's Dept. had made the commitments with the thought in mind that all they would have to do is go to the Council and ask for rate increases.

Mr. Erdahl advised that the Department had been trying to save the people's money by not raising the rates. He explained that when the junior lien (second mortgage) was allowed, it improved the City's position and provided a better interest rate.

Mr. Jarstad moved to continue the discussion for one week. Seconded by Mr. Schroeder. A roll call was taken, resulting as follows:

Ayes 2: Jarstad and Schroeder

Nays 7: Corsi, Egan, Finnigan, Herrmann, Maule, Moss and Johnston.
The motion was declared lost.

Mrs. Ellen Whitlock, 1112 South Sheridan, spoke for the older citizens in objecting to the increases.

Mr. Cliff Tyler, 809 South Sprague, a retired employee of City Utilities Dept. stated that if Mr. Erdahl, Mr. Benedetti and Utility Board members felt the increases were needed, he would agree. He is not in favor of raising the rates, but is in favor of abiding by the City's commitments.

Mrs. Elizabeth Brown, 830 East 66th St., said that at the time the Utilities Dept. purchased the Loveland Electric Co., the owners were paid \$400 plus for their interest in the company and were told the rates would not be raised.

Mr. Eddie Karnes, 1120 North E St., a resident with a family of five boys, felt the increase proposed was too steep, and suggested a gradual increase, as a compromise.

Mr. George Inman, 5006 South Prospect St., said he had never resented the luxurious buildings and furnishings of the Utilities Dept. office buildings until now. He thought the Utilities Dept. should increase the lease principals and payments on the property they are leasing to the developers at Lake Cushman and Alder Lake, etc. He said he prefers to leave the rates as they are, and take his chances on getting less service.

Mr. James Fairbanks, 4850 South Thompson, pointed out that the proposed increase in water rates would be larger on those who could least afford it. He felt it

is impossible even for two people in a family to use only the 3½ unit amount of water allowed at the minimum charge per customer. Most older people use 40 units a month. He conducted tests at home over two months to save on water and found that with minimum use, two people would use 2100 gallons per month, which would leave only 135 gallons for everything besides baths, washing of clothes, dishes and toilet use. He felt there is too much of a differential proposed between the various types of customers.

Mr. Fairbanks opposed the electricity rate increase, and presented data indicating he had researched in the City Library and found the National Index showed that the electric power bills in the United States were 2.8% lower in 1969 than in 1960. These facts indicate that the persons who had "run" all of the utilities had apparently found a way to lower the rates on electric power. He further commented that recently the City has agreed to sell electric power to the State of California at only 5%; whereas the Tacoma citizens are required to pay 8%. He recommended that the City Light Dept. be instructed to determine how the rest of the United States had been able to lower the rates. He recommended that the City lower the 8% rate to 5%, thereby placing the City residents on an equal status with the residents of California.

Mrs. Ruby Knowlen, 3915 North 38th St., agreed there should be a compromise, between the people and the City Departments, inasmuch as older people are suffering economically in every facet. She thought perhaps the Council could rescind the recently increased sewer charge, in order to allow some increase in electrical and water rates.

Mr. Murray Anderson, representing Hooker Chemical, Ohio Ferro Alloys Corp., St. Regis Pulp & Paper, West Tacoma Newsprint, and Pennwalt Co., in the Tide Flats area, distributed to the Mayor and Council members a prepared statement outlining the above-mentioned companies' viewpoint relative to the proposed rate increases.

Mr. James Slater, 4801 No. 26th St., said he lives alone. He had attended the Utility Board meetings on the rate increases and had been cut off in his remarks at both meetings. He said he has studied the finances of the Water Division and is aware they have reduced their bonded indebtedness in recent years and are now only \$2 million in debt; therefore, they have very little expense for redeeming the bonds and paying the interest.

The three ordinances were placed in order for final reading.

Ordinance No. 19322

Appropriating the sum of \$22,000.00 or so much as may be necessary from the General Fund to the Metropolitan Park District for the purpose of carrying on and operating a recreational program for certain senior citizens in the City of Tacoma.

Mrs. Egan asked why the ordinance had been worded showing that the Park Board was to establish and maintain a recreational program for the senior citizens in Section 1 of the ordinance, inasmuch as it had been her intent that the Park Board was only to carry out the programs of the senior centers as presently promulgated. She felt that the present wording infers that the Park Board would be allowed to

start its own program for the senior citizens.

Mr. Hamilton advised that the Park District had not yet formulated a program either for its own staff to carry out or to be done under contract by some of the senior citizens' staff. He felt that the ordinance was perhaps premature at this time, but he had been instructed to draw it up.

Mrs. Egan stated in that case an ordinance could not be drawn which would state that the money would be given to the Park Dept. to fund the programs of the senior centers.

Mr. Hamilton explained that the Park Dept. could not fund the program by paying it to the senior centers any more than the City can.

Mrs. Egan commented that the ordinance made it sound as though the program was being started from an initial phase; whereas there was already an on-going program which was to be continued if some other means of funding could be found.

Mr. Hamilton advised there were some programs that could be supported with public moneys and some that could not, and these would have to be separated.

Mrs. Egan asked if the Park Board had made any commitment.

Miss Mary Ann Truitt, Executive Director of Senior Centers, Inc., advised that they have no commitment. There was a meeting on Monday, April 5th of the Senior Centers committee and the Park Board committee, but no decision was made. She indicated that copies of the ordinance had not been distributed at the time of the meeting and therefore, she was not cognizant of what the step should be.

Mrs. Egan asked if it was Miss Truitt's feeling that the ordinance could be processed at this time or if should wait until the program had been finalized with the Park Dept.

Miss Truitt replied that if the Council is making the money available to the Park Dept., it was the consensus of the Senior Centers Board that it should definitely be decided how it was to be handled. The Senior Centers hope they will be operating the program, but at present there is no assurance that the personnel working with the Senior Centers will continue on their jobs.

Mr. Corsi reviewed the chronological chain of events relative to the meeting of the two committees and asked if, in fact, there had not been any expression of intent.

Miss Truitt said that the Park Board had said "they couldn't take any action that day."

Mr. Corsi asked if anyone from the City had attended the meeting.

Miss Truitt replied that Mr. Hamilton had attended.

Mr. Moss agreed there should be a firm agreement worked out prior to having the Council act on this ordinance.

Mayor Johnston felt that the plan of the programs should be presented to the Park Board to determine which of the programs could be financed by the Park Board and then the City could decide which ones they would finance, and a determination can then be made as to which program the Senior Centers could pay for.

Miss Truitt said they had done that and the Park Board had received a copy of the budget. The Senior Centers, Inc. felt there were certain things that were to be arranged by the City and the Park Board before the Senior Centers entered into the negotiation phase.

Mr. Finnigan pointed out that the ordinance under consideration does not differ from the resolution. He stated that as he reads the budget, there is no program, but approximately 65% of the budget is for the salaries of the Senior Centers, Inc.

Mr. Hamilton commented that the intent of the resolution, previously adopted, had been to develop in a number of aspects, a program similar to the one they are already carrying out, which the Park Board could carry on either by itself or through the utilization of existing Senior Centers organization on a contractual basis, and that would be up to the Park Board and the Senior Citizens.

Mr. Finnigan remarked that Mr. Hamilton had clearly told the Council there was no contract between the Senior Centers, senior citizens or the Tacoma Youth Council or anyone for the use of the Old Fire Hall facility and asked how the Senior Centers could ask for the \$22,000 to carry on a program at that location when they were in fact not entitled to be there.

Miss Truitt said the money was not to carry on a program at that specific location nor for the cost of the food, but to carry on the operation of the Senior Centers program, wherever it might be located. Everything that happens within the program is paid for by the senior people themselves. The majority of the money requested from the City Council is to employ the personnel who are to operate the program within that Center operation, plus the telephone and similar needs.

Mr. Moss did not feel that the ordinance under consideration really fits the needs that are envisioned. He, therefore, moved to withdraw Ordinance No. 19322 and recommended that another ordinance be drawn up to reflect the agreement between the Park Board and the Senior Centers. Motion seconded by Mrs. Egan. Voice vote was taken and carried with none dissenting.

The Ordinance was removed from the agenda.

UNFINISHED BUSINESS:

The Director of Public Works presents the Assessment Rolls for the following:

LID 4884 paving on East 50th Street from McKinley Avenue to East "K" Street and other nearby streets.

LID 3705 sanitary sewers in No. Baltimore Street from Perkins to No. 37th Street.

Mr. Finnigan moved that the date of hearing be set for Monday, April 26th, at 4:00 P.M. Seconded by Dr. Herrmann. Voice vote was taken. Motion carried.

REPORTS BY CITY MANAGER:

Mr. McCormick announced that this is the last meeting to be recorded by Mrs. Josephine Melton, City Clerk, and that a retirement luncheon was to be held the following day in her honor. Due to the lateness of the hour at this time, appropriate remarks and tributes would be paid to her at the luncheon for her outstanding job during the past years.

CITIZENS COMMENTS:

Mr. H. M. Tollefson, attorney, spoke to the Council on behalf of the Central Meat Supply which occupies the Central Market, 1120-22 Market Street, and is part of the urban renewal area. The market is in a C-3 zone and was erected in 1946 as a meat and grocery market and they also supply hospitals, hotels, restaurants, ships, etc., with foodstuffs and meats. During the 1950's, the foot traffic decreased in that area and the grocery section was closed, leaving only the sale of meats. There are presently 20 employees and they do over \$1/2 million of business per year. The Central Meat Supply is not a wholesale meat market; they purchase meat wholesale and sell at retail to shops which do not wish to employ a butcher as such. They have operated since 1946.

In 1968, the Urban Renewal Director wrote to Central Meat Supply indicating that a firm had been hired to inspect all buildings within the urban renewal project area and the results and cost analysis was to assist the owners in deciding whether

or not to sell their buildings to urban renewal or to sign owner-participation agreements if they chose to retain their buildings. The original policy of urban renewal was to have the owners up-grade the property and have the owners retain the buildings. At that time the estate was in probate and they have continued the business under court order permission.

The Urban Renewal Department had the Central Market building inspected and a \$12,000 cost estimate was set for bringing the building up to code. Later on in November a letter was received listing the deficiencies and stating the owner could either correct them or sell the property to the City. Mr. Tollefson stated anyone would assume that the owner then had the right to correct the deficiencies and retain the business.

The Central Meat Supply then initiated a series of improvement to the building, but at about that time the State meat inspectors and State health department asked for some other improvements and the company has now spent a total of \$27,000 in improvements.

After some Urban Renewal personnel changes, actions were initiated for the condemnation of the building. However, the bank which was the trustee for the owners' estate had been led to believe that if the formerly recommended improvements were made, all the requested corrections would then be fulfilled and all they would have to do was sign an owner-participation agreement and thereafter maintain the building in that manner.

In 1970, the Urban Renewal personnel advised that the owner-participation agreement would not be of any benefit to the owner inasmuch as the building did not comply with the zoning. Mr. Tollefson said he had challenged this and asked to have the matter referred back to the Council for a decision on the zoning conformity.

No reply was received from the attorney representing Urban Renewal at the time. The company is now in the position of being scheduled for condemnation action.

Mr. Tollefson requested the Council to follow through on its proviso which says in effect that if a company complies with the code, there can be an owner-participation agreement.

According to Mr. Tollefson's opinion, the company is a meat market, not a wholesale meat supply, and a meat market can be allowed in that particular area under the "C-1" code for zoning. The City Attorney's interpretation is that the market is a wholesale meat supply, which would not be allowed except under a "M-2" zoning which is allowed in heavy industrial areas.

Mr. Tollefson requested the Council to determine that the use is appropriate for the area and could enter into the owner-participation agreement. If the Council does not do this, the company will have to employ an appraiser to determine what the loss would be relative to what the company has spent, so as to be ready for the court condemnation trial on April 19th. As an alternative, he suggested that the legal staff of the City could continue the trial date.

Mr. Jarstad asked if the company in question would be willing to have other food services as well as the meat and enlarging to an over-all food service.

Mr. Tollefson said they certainly would.

Mr. Corsi moved to have an ordinance drafted requiring the City and the Urban Renewal Dept. to follow through on their promises of 1968 hereinbefore mentioned, allowing the market to remain in its present location by entering into an owner-participation agreement, and that the ordinance be ready for Council at the next Council meeting on April 6th. Seconded by Mrs. Egan. Voice vote was taken and motion carried.

Mr. Finnigan asked to be excused from the meeting of April 6th. Dr. Herrmann moved that Mr. Finnigan be excused. Seconded by Mr. Jarstad. Voice vote was taken and carried.

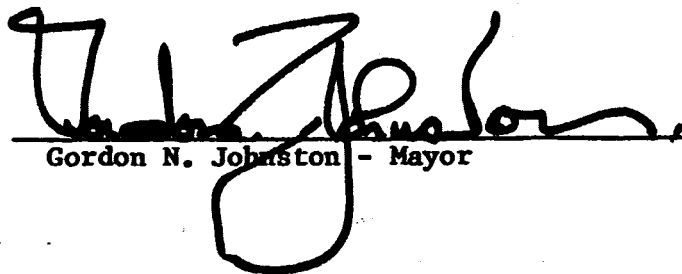
Mr. George Goe, 414 No. Yakima Ave., said he had asked the Council in October, in January and was asking again tonight for more police and fire protection for the south end of Tacoma.

ITEMS FILED IN THE OFFICE OF CITY CLERK:

- a. Minutes of Civil Service Board Meeting of March 1, 1971.
- b. Minutes of City Planning Commission meeting of March 1, 1971.
- c. Minutes of Public Utility Board meeting of March 10, 1971.
- d. Public Works Dept. filing Update Cost Estimate for Urban Arterial Project-Yakima Avenue.
- e. Public Works Dept. filing Aging Schedule for Urban Arterial Projects.
- f. Fire Dept. filing Work Injuries Cooperative Survey for 1970.
- g. Monthly Report of Citizens' Information and Service Bureau, February, 1971.
- h. Monthly Report of Tacoma-Pierce County Humane Society, February, 1971.
- i. Monthly Report of Personnel Department, February, 1971.
- j. Trainee Corps Statistical Report, February, 1971.
- k. Tacoma-Pierce County Health Dept., Division of Vital Statistics, report for the week ending March 13th & 20th, 1971.
- l. Tacoma Industrial Airport, Quarterly Financial Report, December 31, 1970.
- m. Monthly Financial Report for Belt Line Division, Light Division and Water Division, January 31, 1971.
- n. Monthly Report, Tacoma Police Dept., February, 1971.
- o. Fourth Examination, January 1, to December 31, 1969, Tacoma Industrial Airport, filed by State Auditor.

Placed on file.

Mr. Finnigan moved to adjourn the meeting. Seconded by Dr. Herrmann. The meeting adjourned at 2:00 A.M., March 31st, 1971.



 Gordon N. Johnston - Mayor

Attest: 
 Catherine Ursich - Deputy City Clerk