

CITY COUNCIL MINUTES

City Council Chambers
Tuesday, Feb. 4th, 1969

The meeting was called to order by Mayor Rasmussen at 4 P. M.

Present on roll call 8: Banfield, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen. Absent 1: Bott. Mr. Bott arriving at 4:55 P. M.

Mayor Rasmussen introduced a member of the Tacoma Civic Ballet who presented him with two tickets to their performance on Feb. 26th, 1969.

Mr. Goodwin Chase, Chairman of the Tacoma Civic Ballet, reported to the Council that \$7500 the City had alloted for the Joffrey Ballet of New York City two years ago had helped to bring the Ballet to Tacoma the last three summers. This had helped the Ballet and also the City of Tacoma. Mr. Chase thanked the Council for their contribution.

The Flag Salute was led by Mr. Murtland.

Dr. Herrmann moved that the minutes of Jan. 21, 1969 be approved as submitted. Seconded by Mr. Cvitanich. Voice vote taken. Motion carried.

Mayor Rasmussen asked that the "Indictment" presented by Mr. Don Nicholson at the City Council meeting on Oct. 22, 1968 be inserted on Page 6 of the minutes of that date just before the First Reading of Ordinance No. 12673, and reproduced for the Council.

HEARINGS & APPEALS:

a. This is the date set for hearing for the vacation of East J. St. between East 60th & 61st Street, submitted by L. Canty & P. Baker.

Mr. Buehler, Director of Planning, explained that the street pattern on the area will not be affected. There was a 100% petition from the property owners for this vacation which will allow for the consolidation of the applicant's properties. No objections were expressed by the City Departments. The Planning Commission has recommended approval of the vacation. No one was present to voice any objections.

Dr. Herrmann moved to concur in the recommendation of the Planning Commission to vacate the above property and that an ordinance be drafted approving same. Seconded by Mr. Finnigan. Voice vote taken. Motion carried.

b. The City Planning Commission recommending denial of the petition submitted by W. H. Ostruske for rezoning of both sides of vacated N. D between No. 10th & No. 11th St. extended.

An appeal was filed by Mr. Honeywell attorney for Mr. Ostruske. The suggested date for hearing on the appeal is set for March 4th, 1969.

Mrs. Banfield moved that March 18th, 1969 be set as the date of hearing on the appeal. Seconded by Mr. Cvitanich. Voice vote taken. Motion carried.

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c. The City Planning Commission recommending denial of the petition submitted by Robert L. Hess for rezoning of South of So. 12th St. between Oakes & Pine St.

An appeal was filed by Robert L. Hess on Jan. 17th, 1969.

The suggested date for hearing on the appeal is set for March 4, 1969.

Mrs. Banfield moved that March 4th, 1969 be set as the date of hearing on the appeal. Seconded by Mr. Cvitanich. Voice vote taken. Motion carried.

d. The City Planning advising they have recently approved the withdrawal of the petition submitted by Floyd W. James for rezoning of the north side of Ea. 27th between East C and East D from an "R-4" to an "M-1" District, and requesting that the filing fee paid by the petitioner be refunded to him.

Mr. Buehler explained that after the Planning Commission approved the request for rezoning, it was found that the site was insufficient for the use proposed because of the setback requirements under an "M-1" District. Therefore, the Planning Commission has now made a recommendation to the Council to allow the applicant to withdraw his filing fee.

Mr. Pinnigan moved to concur in the recommendation of the Planning Commission that the filing fee of \$100 paid by Mr. James be refunded to him. Seconded by Mr. Johnson. Voice vote taken. Motion carried.

PETITIONS:

a. Petition submitted by Fred & Stan Sepic requesting rezoning of the S. W. corner of So. 48th & Oakes Street from an "R-2" to an "R-4-L" District.

b. Petition submitted by Parker C. Gadd requesting rezoning of the west side of Alder St. between No. 10th & No. 11th Sts. extended from an "R-3" to an "R-4-L" District.

Referred to the Planning Commission.

COMMUNICATIONS:

a. Communication from E. A. Barton & Associates, Inc. advising that the basic structural and other information relating to the proposed parking decks behind the County-City Bldg. has been received and is presently in the process of being studied. They advise this study will be completed in approximately two weeks and will notify the Council as to the outcome.

Mayor Rasmussen explained that a 'portable' type parking structure is being studied relative to more parking in the County-City Bldg. area. It is hoped that a financial program will be worked out so additional parking will be made available for the area.

Placed on file.

Mr. Bott coming in at 4:55 P. M.

b. Communication from Nels B. Nelson, Jr., Attorney at Law, wishing to present on behalf of his client an offer to purchase the property upon which is situated the old City Hall.

Nels B. Nelson, Jr., attorney representing Wm. Cizecki, Brotman Bros. and Fred Robertson in Tacoma, stated this his clients wish the City Council to consider an offer to purchase the old City Hall. He explained that they wish to renovate the interior for commercial use and leave the exterior of the building in its present style.

Mr. Finnigan stated that the purchase of this building has been discussed for many years and many proposals have been expressed. He felt, unless Mr. Nelson's clients have a very complete plan at this particular time, this would just an opportunity to prolong the discussions.

Mrs. Benfield felt that the appraisal price of \$17,400 was too low, and that the demolition cost should be included in the land value, as the Council has indicated that the building must not be torn down.

Mayor Rasmussen explained, when this was brought up at the study session last Monday, he thought the Council wished to study the terms of the offer for the building from Mr. R. M. Hunts, a developer from Arizona-California. Therefore, he had removed a resolution that had been prepared for tonight's agenda, which he submitted to the Council to study.

Dr. Herrmann reminded the Council that at the study session of Jan. 10th Mr. Hunts had said he was prepared to spend a minimum of one million dollars for interior repairs to the building. This would bring the building up to City code standards. He felt that the building's worth includes not only the appraisal, but also the repairs.

Mr. Rowlands, City Manager, explained that Mr. Hunts was hoping that the Council might be in a position within the next couple of weeks to accept his offer, as he did wish to proceed if at all possible.

Mr. Robert Evans, Architect, reiterated the history of the old City Hall since its vacancy about ten years ago. He hoped that all businesses interested in the rehabilitation of this building might be given equal opportunity to present their proposals. He said plans have been in the Mayor's office for the past year. He said he now has backing of a private group that would develop the building and requested time to draw up a proposal for the Council's perusal.

Mr. Steve Iurlis, representing Mr. R. D. Hunts, explained that Mr. Hunts had called him from Phoenix, Tuesday, and stated he had engaged a Portland engineering firm to determine the immediate repairs and remodeling required to the City Hall, and he was ready to start the development within ninety days after acquiring the building.

Mr. Johnson requested that the proposed resolution be brought before the Council in two weeks and this will give the Council time to peruse the proposals.

Mayor Rasmussen explained, if there are no objections, the Council will consider the resolution providing for the sale of the old City Hall in two weeks. He also said that on a negotiated sale the Council must consider all proposals the same as if the building were put up for bid.

Mr. Cvitanich felt the structure should be offered for sale to the highest and best bidder for the protection of the taxpayers.

Acting City Attorney, Robert Hamilton, asked if the Council wished general specifications prepared so that bids can be called for on the structure. He said he could submit a draft of such specifications to the Council next week for their perusal.

Mr. Finnigan reminded the Council that if they make the specifications too demanding, the City may wind up without any bidders.

A number of Council members favored Mr. Hunts' proposal due to the fact he

was the first applicant who has promised to preserve the exterior, tower, clock and chimes as well as investing more than one million dollars in improvements.

Mayor Rasmussen asked that Mr. Hamilton prepare a draft of specifications for the Council's perusal for next week, and at that meeting the Council can give further instructions, if needed.

RESOLUTIONS:

Resolution No. 20033

Fixing Feb. 18th, 1969 at 4 P. M. as the date for public hearing for the revision to the Six-Year Comprehensive Street Program.

Mr. Cvitanich moved that the resolution be adopted. Seconded by Mrs. Banfield.

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

Ayes 9: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20034

Fixing Monday, Feb. 24th, 1969 at 4 P. M. as the date for hearing for L I D 5474 for water mains in 42nd Ave. East from 144th St. East to a point 1,320 ft. north of 144th St. East.

Mr. Cvitanich moved that the resolution be adopted. Seconded by Mrs. Banfield.

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

Ayes 9: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich, and Mayor Rasmussen.

Nays 0: Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20035

Authorizing the release of three easements to the Diocese of Olympia, Inc. located at So. 15th and J Streets, to clear property records.

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

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

Ayes 8: Banfield, Bott, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 1: Cvitanich; Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20036

Authorizing the release of an easement to Sherwood Development Co. located at 53rd Ave. N. E. in King County to clear property records.

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Mr. Johnson moved that the resolution be adopted. Seconded by Mr. Murtland.

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

Ayes 9: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20037

Authorizing the execution of a permit from the Northern Pacific Railway Co. for the construction of a sewer trunk line in the vicinity of So. 40th and Proctor Street.

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

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

Ayes 9: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20038

Awarding contract for the furnishing of pneumatic tire and tubes for the year 1969 to Sam's Tire Service.

Mr. Cvitanich moved that the resolution be adopted. Seconded by Mr. Zatkovich.

Mrs. Banfield asked who prepared the specifications for the tire bids.

Mr. Rowlands, City Manager, explained that the tire bid is a joint bid for both the Department of Utilities and General Government. These particular specifications were prepared by the Utility Dept., however, if the Council desires the bids to be submitted separately, this could be done.

Mrs. Banfield felt the specifications for this bid are discriminatory and said that all bids should be rejected and new specifications drawn to allow anyone who has good quality tires to bid.

Mr. Hamilton, Acting City Attorney, explained that the Harmon Truck Rental Co. had specified in their bid that if they were allowed the bid, they would want all schedules or none. It was noted that their bid did not contain the documentary proof that the tires being bid for Schedule III met the requirements of original equipment manufacturer.

Mr. Carl Peterson, representing Sam's Tire Service, explained he did not think these specifications were discriminatory and noted specifications were difficult to prepare to obtain the best tire for the least money.

After some discussion, Mr. Cvitanich moved to postpone the resolution for one week, until Feb. 11th, 1969. Seconded by Mrs. Banfield. Roll call was taken, resulting as follows: Ayes 8: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland and Mayor Rasmussen. Nays 1: Zatkovich. Absent 0. Motion carried.

The Resolution was postponed for one week.

Resolution No. 20039

Appropriating unanticipated excess funds for payment of certain expenditures required in the 1968 budget.

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

Verbatim requested by Mayor Rasmussen:

Mayor Rasmussen: Mr. Hamilton, will you please read the law on the budget expenditures, the pertinent paragraph.

Mr. Hamilton: Mr. Mayor, the authority for this resolution is contained in RCW 35.33.120 which provides as follows: "the expenditures as classified and itemized in the final budget shall constitute the city's appropriations for the ensuing fiscal year. Every officer and employee of the city shall be limited in the making of expenditures and incurring of liabilities to the amounts of the detailed appropriation items or classes, or to any amounts of appropriations which may be lawfully carried forward from prior fiscal years pursuant to RCW 35.33.150. Nothing herein shall prevent the proper officers or employees of the city from making expenditures of moneys received from the sale of general obligation or revenue bonds for the purposes for which they were issued pursuant to state law, irrespective of whether or not an item therefor has been included in the city's annual budget. Transfers between the general classes and expenditures from funds received in excess of estimated revenues shall be permitted when authorized by a resolution duly adopted by the majority vote of all members of the legislative body of any city: Provided, That the legislative body shall at all times have the power by ordinance with the vote of one more than the majority of all members thereof, to revoke, recall, or decrease the whole or any part of any unexpended item as above provided, and shall further in said ordinance find that it is to the best interest of the municipality that such revocation, recall or decrease of any unexpended item listed in the budget appropriation be made. Transfers between items within any class in the budget may be made by the city's chief administrative or finance officer, subject to such regulations as may be imposed by the legislative body thereof, but no salary shall be increased above the amount provided therefor in the budget except as otherwise provided in RCW 35.33.105. Notwithstanding the provisions of any statute to the contrary, the budgetary transfers herein authorized may be made as between any offices, departments, divisions, services, institutions, etc., or any combination thereof with a city's organizational structure which operate from the appropriations of the same fund.

Liabilities incurred by any officer or employee of the city in excess of any budget appropriation shall not be a liability of the city. The clerk shall issue no warrant and the city commission, council or mayor shall approve no claim for an expenditure in excess of any individual budget appropriation except upon an order of a court of competent jurisdiction or for emergencies as provided in this chapter.

Mayor Rasmussen: Mr. Hamilton, would we have to get a court of competent jurisdiction to authorize expenditures in excess of the budget?

Mr. Hamilton: No Mr. Mayor, that the appropriation is made by the Council, by resolution from funds received in excess of anticipated revenue; that's what I think.

Mayor Rasmussen: Then a general fund item would be in excess of anticipated revenue:

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Mr. Hamilton: I beg your pardon, Sir.

Mayor Rasmussen: I'm making a transfer, now, well, the money is all ready spent, in excess of the budget.

Mr. Hamilton: Prior to authorization by the Council?

Mayor Rasmussen: Yes. Would that be illegal?

Mr. Hamilton: To the extent such supervisors are not a liability of the city until first approved. That would be correct.

Mayor Rasmussen: The reason I asked Mr. Hamilton to read this was, to those of you who were not at the study session; that once you establish a budget, it is not permitted to expend in excess of that budget, as sighted in the law, unless it has authorization by one more than a majority, which is an emergency resolution, and should be brought to the attention of the Council before the money is spent. The reason I say this, is that, this particular item is \$27,000; it well could be \$270,000 or \$2,700,000, the amount is immaterial. It has been expended without the approval of one more than the majority of the Council. Is this correct, Mr. Gaisford?

Mr. Gaisford: Yes, Mr. Mayor, this is correct.

Mayor Rasmussen: Mr. Gaisford, has any order been issued in the past that this is the practice you have followed? You stated in the study session, this practice has been followed for a number of years.

Mr. Gaisford: Mr. Mayor, I might call your attention to a Resolution, adopted February 13, 1968, whereby, the City Council did exactly the same thing that I'm doing on Feb. 4th, 1969, in the amount of \$710,000. Also true, is the transfer of funds; the same thing transpired.

It has never been, that rules have been changed without the knowledge of the finance officer, and upon the rules being changed, if he is informed he will certainly correct his method of operation and follow the rules that the Council adopts.

Mayor Rasmussen: I think we are all governed by the State law, rather than rules. It is a matter of financial transaction. What concerned the Mayor, was the number of these transactions that we were having where the money had already been expended.

Now, in establishing a budget, the purpose is, to tell the department head, this is the dollar amount you are expected to operate in, in the next twelve months; if adopted early enough under our budget procedure that they are supposed to program their work throughout the year; and if a sudden emergency arises, the Council meets every week, and if it is brought to their attention, and the Council considers it an emergency, then they appropriate the money. But by the same token, we have another item of \$100,000, that is coming along here, the Council may well say, we feel that this is an unwise expenditure, and we are going to require you to stay within that budget as established in the proper budgetary hearing.

So, it is a rather serious matter to find that we are not abiding by the law that we are spending money without the proper authorization, and even though it has been a practice, as you stated, for a number of years back, I agree with you it probably should be stopped.

Mr. Gaisford: Mr. Mayor, in regards to the appropriations that are being expended by the City that have transpired during a given year, I think that if you will check, if you check your 1968 budget, you will find that there were fifteen emergency ordinances that were adopted by the City Council, starting with the month

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of February of 1968 and ending, through, and until the time we had adopted and published the 1969 budget, amounting to some \$348,000.

At the end of Nov. 1968, if you have taken a good look at the financial monthly report, you will find approximately 87% of the budget had been expended, leaving a balance of approximately 13% to be expended. In 1967 it shows that there was approximately 85% expended; at the end of the year of 1967, you will find that there was an unappropriated expenditure left in the budget; in 1968 the situation reversed itself and there was an over-expenditure of \$27,000. Now, this money, this \$27,000 is an internal obligation that was paid, and all that is necessary is for the City Council to tell me at this time that they do not approve the \$27,000, and it will certainly not be paid.

Mayor Rasmussen: Well, Mr. Gaisford, you probably should go on and explain further how this come to be spent without proper authorization. Has this money already been expended?

Mr. Gaisford: The \$27,000, Sir?

Mayor Rasmussen: Yes.

Mr. Gaisford: Well, theoretically yes; it has been transferred from the General Fund to the Light Fund for the payment of street lighting energy. Now, that being an internal transaction, we can reverse that transaction very easily. The money has not went out of the City.

Mayor Rasmussen: But the money has paid a bill?

Mr. Gaisford: No, the bookkeeping transaction, we can correct in five minutes.

Mr. Johnson: Mr. Mayor.

Mayor Rasmussen: Mr. Johnson.

Mr. Johnson: As Mr. Gaisford has said, this has been the policy at year's end; there is always a little irregularity, there is no way possible of hitting a budget exactly on the nose. He says we'll have a little money left over or we'll have a little shortage. And in the past, these bookkeeping transactions have been made in a rather routine manner in order to keep the affairs of the City running smoothly. However, I think that if, in the future, you can anticipate that there is going to be a shortage, you can't tell exactly how much that shortage will be by any standard that I know of, but you can see, just as we have here; in the case of the snow that fell, it is causing the City to spend, far, far more money for street clean up and then finally street maintenance and repair than we anticipated when our budget was set up. But we don't know the exact future and we can't know it until the work is done.

I think in the future it would be wise, in order to prevent any problems of this kind, that the Council would be notified that there is a potential overage going to be required, that we are going to have to have emergency legislation for the payment of an unknown amount. You can stay within the State law with that sort of thing and the final figure, of course, cannot be set until the actual bills are in and ready to be paid. So, it would be a change in our procedure, only to the extent, that the Council would be alerted to it and they could pass enabling legislation to permit them to spend whatever money is required to take care of these emergency situations.

I think that's the kind of thing we have under discussion here, is an amount that has been acquired through this process, and I feel this resolution should be passed.

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Mayor Rasmussen: Mr. Johnson, I am not saying what is going to happen to this particular resolution; this is a minor amount. But the principle is, while you look at \$27,000, it could well be \$270,000.

Now, the items that Mr. Gaisford spoke of, that we passed, as emergency ordinances the past year is where we have increased the Police force and the police expenditures, were passed as emergency ordinances and had to require six votes, one more than a majority. So that this is the whole principle. Now, the fact that our operations of the City has gotten to the point where the determination is made by department heads, or I would presume it has been made a little bit higher than that, that this is the practice we are going to follow. This is the critical point and I agree with you that it should be changed, and there will be more discussion in the next resolution.

Do you wish to speak to this resolution? Will you come forward.

Mrs. Thelma Coonan: This discussion has brought out a question in my mind. Why is the budget, in other words, it seems to me in this city all the laws of the State of Washington, budget laws, must be broken. If we can get by with, after we have spent the money, the Council just passing authorization that they can withdraw this from the General Fund; the public has the right to know what the budget of the City is. Has the right to attend the hearings. The laws of the State of Washington, covering emergency appropriations to the budget also gives the public a right to know what that emergency appropriation is. But the manner in which this is being one, the public has no right at all to know about expenditures; I can't understand it.

Mr. Johnson: I disagree with that.

Mrs. Coonan: In what manner, Mr. Johnson?

Mr. Johnson: This is all open; you a member, right here now and you don't even live in the City.

Mayor Rasmussen: Mr. Johnson, please, we would prefer you don't argue with the lady, and if you want the floor, you ask for it, when the lady is through speaking.

Mrs. Coonan: Mr. Mayor.

Mayor Rasmussen: Excuse me a minute Mrs. Coonan; the Mayor has made up his mind that he was not going to stop anybody from talking and this includes the City Manager. At any time they want to get on and berate somebody, but I do have to ask you to ask for the floor before you speak. Proceed Mrs. Coonan.

Mrs. Coonan: At the same time I would like to question the Council. I think I should be apologized to. I live at 614 No. Meyers and it is within the City of Tacoma.

Mr. Johnson: You've moved.

Mayor Rasmussen: I have no rules that say that even though you are not a resident of the City, you may not speak.

Mrs. Coonan: Yes, I think this is a little ridiculous, people who pay taxes in this City are not allowed to speak on any subject matter, Mr. Johnson. I notice tonight there are a number of items on the budget like this where we're asking for transfers from funds. Mr. Mayor, I don't see where it states the law.

I think it is just about time that the taxpayers of this City are entitled to know that the laws of this State, and the ordinances and everything in this City, are being followed. Because it says, it is the City Manager's duty to see that the laws of the State of Washington and the ordinances are followed.

I was a member of the budget committee a few years ago. The City owed the amount of around \$100,000 to the City Light and Water for water to the Fire Dept. They ended that year's business, saying they were in the black. Now, I figure when you end a year and still you owe money, you are operating in the red; and that is supposed to be against the laws of the State of Washington.

As a taxpayers for many years to the City, Mr. Johnson, we should have a right to ask. And, we hope that you hold this whole package until the public has a right to do some investigating.

Mayor Rasmussen: This was the concern of the Mayor and I'm sure all the Council members. Bad practices have grown up and it rather seems that the impression is, that the Council, elected by the people, is a rather an unnecessary nuisance; and the Council is the first person who should be made aware of any emergencies and any shortage of funds. This hasn't been done, I agree with you.

Further comments by the Council?

Mr. Cvitanich: Mr. Mayor.

Mayor Rasmussen: Mr. Cvitanich.

Mr. Cvitanich: Somebody made reference to an emergency fund. I merely point out that the City should have a half a million dollars in emergency fund, and then if it snows, etc., we have \$4700. It gets back to what I have said many times, it is a question of priorities.

Mrs. Banfield: Right.

Mr. Zatkovich: I will admit that maybe we are going to have to do something different. As a matter of fact, I have discussed a practice that has been going on for years with the finance officer and the legal staff, and agreed that we are just going to have to adhere to the law a little bit more in the budget; when the budget is made up to take care of a situation like that, otherwise, we really get involved, and it is going to come up year after year. And I think, maybe, at the end of the year, when we get ready to, we can do something about it. But, I also notice salaries and wages, also garbage and refuse funds; salaries and wages, and I'm not about to hold up salaries and wages. And, it would have to be an emergency as such. I think that maybe we should take another look at budget time and probably do something a little differently.

Mr. Rowlands: Mr. Mayor and Council members.

Mayor Rasmussen: Mr. Rowlands.

Mr. Rowlands: I would like to make one comment. Right now I want to put you on notice on the snow and ice removal. The budget is about \$17,000 or \$20,000 this year. We have already spent more than \$100,000. We have to get that snow and ice removed. This is the sort of thing we can't anticipate and we will be glad to come in with that request.

The same thing is true in these revolving funds. If you would like for us to make an estimate large enough to bring the margin up, there is no problem because it is an in and out of the revolving fund. For example: if gravel or asphalt, the contractors may pay it to get the material; we don't know whether it will be \$50,000 or \$250,000. We don't get the money unless they buy the material and they don't get the material unless they pay us.

Some of these funds are strictly, what you call, revolving funds; the Equipment Rental Fund, Public Works Revolving Fund. It is harder to advise Mr. Gaisford, as they do in public utilities, so that you're covered; normally you approach that particular figure in the budget. I also want to stress the fact that in our overall balancing of the inter-departmental transfers the idea is to be sure we end up in the black.

Mrs. Coonan referred to this situation with the light and water. For some years there was a discussion with the Utilities about the hydrant rental fee, and often times we carried that over to try and get it resolved, so we wouldn't have to pay. It has never been resolved necessarily to our mutual satisfaction, but basically, it is right now. The same thing is true with the light energy. We thought, perhaps, they could assume the responsibility for light to the City as we have an electric utility, but that wasn't resolved to our favor and the General Government pays for it. So, I want to point out that some of these revolving funds, we should probably increase the amount, because if we don't sell the material, we don't get any money in it.

As I say, right now there is no hardship, but, probably, I should put you on notice at the moment, and I am sure we can solve the basic estimate with Mr. Schuster, as to how much money might be needed to repair some of our streets.

Mayor Rasmussen: Mr. Rowlands, I think you are rather evading the issue. The snow and ice removal, Mr. Rowlands; there is sufficient money in Mr. Schuster's department for general street maintenance which would not require an additional budget until sometime later in the year, if necessary at that time. I have discussed it with Mr. Schuster and street crews; obviously, there is a little extra on rental, the street crews could not be doing the normal maintenance work that they were doing, there was additional overtime. We'll grant that and they did a wonderful job. And at that time if it is necessary for Mr. Schuster to have additional money he will bring his request in and it will be justified.

Mr. Rowlands: But, we'll be---

Mayor Rasmussen: Our point of the Council was now; is that money, has already been expended. We have not had a chance to receive prior information, that the budget was going to be short. The Council meets every week. The Council has never refused on proper justification to vote an emergency ordinance. So, that--you are in complete violation of the State law by expending money without properly notifying the Council and you receiving the necessary vote of one more than the majority. I'm sure you are familiar with the State law. The City Attorney just read it to us. This item is small.

Mr. Rowlands: Mr. Mayor. I think Mr. Gaisford explained this situation about the same City Council a year ago today. Mr. Johnson suggested that we notify you which is perfectly all right, about this thing. But, this procedure has been followed and we're not overdrawn.

Technically, I should probably be telling the Police Dept. and Public Works right now to remove all cars from the streets of the City that are parked more than twenty-four hours, because we do have such an ordinance. But there has to be a reasonable application. Cars are over parked, we do get calls to take them away. Many people don't have any place to park their cars but out in the street, apartment places do not provide enough spaces for them.

So, I am saying, the Council by their acquiescence a year ago today said, this thing was all right. You bringing it up a year later, if you want to change it, we will be very happy to do so.

Mayor Rasmussen: When was this policy established, Mr. Rowlands? Was it established by ordinance:

Mr. Rowlands: I'd say it wasn't established by ordinance, but it has been the practice, Clar for what, fifteen, eighteen, twenty years?

Mr. Gaisford: I started it and took it over from Jack Roberts, he was doing it, 1946.

Mr. Rowlands: 1946.

Mayor Rasmussen: What was the date of that law, Mr. Hamilton? When the law was amended to provide for any penalties?

Mr. Hamilton: This modification here is 1961.

Mayor Rasmussen: The last governing amendment was because the legislature has been concerned with the expenditures outside of the budget improperly, and many times they could not recover the money. They have tightened this law up for a reason, they really expect it to be obeyed, and I'm surprised that Mr. Rowlands would permit the law to be evaded. Now, I excuse the Council for the fact that we do lack knowledge and I have done, I have more time than the Council, I have talked with the State Auditor and I have talked with other individuals and we gradually gain wisdom. But I would expect experienced people in State government, directly in charge of all departments, would see that the Sate law was not evaded. And I would hope this little discussion would provide some corrections. I have other questions on future resolution.

Further discussion by the Council?

Mrs. Banfield: Mr. Mayor.

Mayor Rasmussen: Mrs. Banfield.

Mrs. Banfield: If we approve this, then we would be going against State law.

Mayor Rasmussen: Yes.

Mr. Hamilton: Mr. Mayor and members of the Council. I don't believe so, I believe Mr. Gaisford said, as far as the general fund is concerned, that it was merely a bookkeeping transaction; the money has not asyet, actually been expended.

at this is, is an appropriation as of December 31st, permitting such an expenditure to be made with Council approval.

Mayor Rasmussen: Mr. Hamilton, can we legally adopt a postdated law?

Mr. Hamilton: I think we can, Mr. Mayor, for this reason, that the books don't close. There is a delay in there of twenty days after the 31st of December in order to itemize and find out what the last minute expenditures are forthcoming, and also, to analyze the revenues. Until such time as that is done, you don't actually know your complete fiscal situation.

Mayor Rasmussen: The twenty days allows you to get any additional bills in within the budget; any authorized expenditures.

Mr. Hamilton: Payable from the appropriations that are made within that budget. But here the surplus, which, here you are appropriating in effect, that is revenues which have been received.

Mayor Rasmussen: I have a question I need more information on. I can understand the transfers within funds, from M & O, for Capital Outlay. But what Mr. Gaisford is the \$27,000" Which department was that expended in" From the General Fund?

Mr. Gaisford: Well, Mr. Mayor, this is what we call a non-departmental classification. The combination of such things as grants to the Humane Society, to the Metropolitan Park District, such as your hydrant rental costs, your street lighting energy, street lighting maintenance, State Audit, independent Audit.

Mayor Rasmussen: This \$27,000, takes care of Mr. Fidler's \$13,000?

Mr. Gaisford: No Sir. The amounts that were expended for the Humane Society were done and over with. That appropriation was taken care of long prior---

Mayor Rasmussen: We passed that by resolution.

Mr. Gaisford: Well, this was passed by ordinance.

Mayor Rasmussen: What is the \$27,000?

Mr. Gaisford: The \$27,000--if you fail to adopt this resolution in its entirety, I will immediately reverse an entry of Dec. 31st, taking away from the Light Fund, \$27,463, returning it to the General Fund and set up an account payable to the Light Fund for \$27,000; it will make it, actually, the overall bookkeeping transaction change nothing.

Mayor Rasmussen: Then we would be paying that out of this year's budget.

Mr. Gaisford: We owe it, we have to pay it, sooner or later.

Mayor Rasmussen: We save \$27,000 toward the General Fund.

Mr. Gaisford: You don't save a dime for the General Fund, you pay it out. You owe it.

Mr. Murtland: We would pay it this year, instead of last year.

Mayor Rasmussen: You are quite right; but now, you will pay it this year;but there is sufficient budgeted for that in this year's budget?

Mr. Gaisford: We're trying to clear up. We are trying to make the budget begin the year 1969 as a clear entity. We are not trying to bring over, carry over a lot of things into the year 1969. Here's a lot of dead horses that have to be paid for; we are trying to pay for them in the prior year.

We can turn this over to accounts payable; as the affect there, just like not paying your grocery bills, instead.

Mayor Rasmussen: Let me get this cleared up. Mr. Gaisford, we budget, let us say \$200,000 for the operation of a department. And the 1968 appropriation we have expended \$198,000 as of Dec. 31st. You don't carry any debts over, but you appropriate \$200,000 for this particular department, and instead of containing yourself within that budget as the Council set up, you spend \$250,000. Now, are you telling me that under State law you can carry this \$50,000 debt over and pay

it out of the 1969 budget without having proper authorization as an emergency.

Mr. Gaisford: Oh, no; it would still be accounts payable until such time as the Council saw fit to place within their budget and pay it, but it is still there. It will never go off the books.

Mayor Rasmussen: So, that under your thinking then, a department head could spend \$250,000 even though the Council set \$200,000 as your limit, and it would---

Mr. Gaisford: No, you would never have to pay it.

Mayor Rasmussen: All right, who would be liable?

Mr. Gaisford: Nobody. Whether the license people would be liable in this case---

Mayor Rasmussen: Let's take a department head such as yourself; with a \$200,000 budget, you spent \$250,000; and then come to the Council and said, we want you to pay this additional \$50,000 because I spent it, and I thought it was wisely spent.

Mr. Gaisford: You are getting a little bit out of my field. I think this would be legal and I thin that Mr. Hamilton should answer, I'm not an attorney.

Mayor Rasmussen: Where would the Council-----

Mr. Gaisford: As I said, you are getting into legalities at this point and I think Mr. Hamilton should answer. I am not an attorney.

Mayor Rasmussen: I am not concerned with the attorney, because that would come later. What I'm concerned was, that you as budget and finance director, who has charge of seeing the funds were contained in the amount allowed by the Council--

Mr. Gaisford: The City Council would.

Mayor Rasmussen: I mean, aren't you the--do we have a budget director?

Mr. Gaisford: I'm watching the budget.

Mayor Rasmussen: If you find a department head that has been authorized by the Council within twelve months to spend \$200,000 for maintenance, operation, and labor.

Mr. Gaisford: We keep within.

Mayor Rasmussen: You do? You find that he has expended an additional \$50,000.

Mr. Gaisford: We would be sure of that, darned sure.

Mayor Rasmussen: That's good to know because the next resolution is \$100,000 and we will discuss that at that time. I'm very glad you're keeping within the budget allowed by the Council.

Mayor Rasmussen: Mr. Hamilton, how would we recover money improperly expended by a department head, without Council authorization? What does the Law say?

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Mr. Hamilton: I don't see anything here in the budget law, Mr. Mayor. My recollection is that any-----

Mayor Rasmussen: I thought it said the Council was not responsible. To whom would you go after the bond?

Mr. Hamilton: Should not be a liability of the City?

Mayor Rasmussen: Yes.

Mr. Hamilton: Anybody incurring expense which was not authorized pursuant to law would be individually liable and should their resources be insufficient, then I would assume that a fidelity bond would be available to the extent once posted.

Mayor Rasmussen: What are the extent of our bonds carried by the City, with proper performance of duty.

Mr. Hamilton: They range from \$10,000 minimum to \$150,000 or so, maximum. Maybe it is more than that, I don't know.

Mayor Rasmussen: It would seem that we can get ourselves into a pretty bad fix, with the practice we have had of spending money without Council authorization. Further questions by the Council?

Mayor Rasmussen: In your opinion, is it all right for any Council member to vote for this resolution under his oath of office?

Mr. Hamilton: In my opinion, it would be proper, Mr. Mayor.

Mayor Rasmussen: Thank you, Mr. Hamilton.

Mayor Rasmussen: The question before the Council is the adoption of Resolution No. 20039.

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

Ayes 6: Bott, Finnigan, Herrmann, Johnson, Murtland and Zatkovich.

Nays 3: Banfield, Cvitanich and Mayor Rasmussen. Absent 0.

Mayor Rasmussen: Wouldn't this be an emergency resolution? Should it be so stated?

Mr. Hamilton: No Sir. The law provides, "Transfers between the general classes and expenditures from funds received in excess of estimated revenues shall be permitted when authorized by a resolution duly adopted by the majority vote of all members of the legislative body of any city."

Mayor Rasmussen: Between funds, but this also contains \$27,000 from the General Fund, which not between funds.

Mr. Hamilton: But you have two classes here, Mr. Mayor; between the General Classes, is one, and the expenditures of funds received in excess of estimated revenues, is the second category.

Mayor Rasmussen: It received the six votes anyway.

The Resolution was declared passed by the Chairman.

Resolution No. 20040

Transferring certain appropriations within the budgetary classes of the same fund of the 1968 Budget.

Verbatim requested by Mayor Rasmussen.

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

Mayor Rasmussen: Is there any discussion? Mr. Gaisford, would you explain this resolution?

Mr. Gaisford: Mr. Mayor and members of the City Council, this resolution is the transfer between classes. In other words, I'm transferring in the general funds, salaries and wages, it happens to be; salaries and wages in the Public Works Dept. to the maintenance and operational category in the non-departmental. Capital outlay is in the non-departmental class, is also transferred into the maintenance. This is what we call a transfer between classes.

Mayor Rasmussen: Any questions on Resolution No. 20040? Thank you Mr. Gaisford.

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

Ayes 6: Bott, Finnigan, Herrmann, Johnson, Murtland and Zatkovich.

Nays 3: Banfield, Cvitanich and Mayor Rasmussen. Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20041

Transferring the sum of \$403.39 from the M & O Classification in the Airport Department Budget to Salary & Wages and \$164.99 to Capital Outlay for the year 1968.

Mr. Johnson moved that the resolution be adopted. Seconded by Mr. Murtland.

Verbatim requested by Mayor Rasmussen.

Mayor Rasmussen: Is there any discussion? Mr. Gaisford.

Mr. Gaisford: Mr. Mayor and members of the City Council, as you recall Mr. Cvitanich has requested that anything regarding the Airport be separate, so this could have been tied into resolution No. 20040, but we did pull it out.

Mayor Rasmussen: Further discussion? The question is on the adoption of Resolution No. 20041.

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

Ayes 7: Bott, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 2: Banfield and Cvitanich. Absent 0.

The Resolution was declared passed by the Chairman.

Mayor Rasmussen: Mr. Rowlands, that information that the Council requested about three months ago, with the number of land owners and the number of acres they have,

is that going to be ready for the Council pretty soon?

Mr. Rowlands: I hope to have it to send out Friday. We checked on it again Monday.

Mayor Rasmussen: Does it include prices on those properties that have already been acquired on the tracts?

Mr. Rowlands: Yes.

Mayor Rasmussen: Thank you.

Resolution No. 20042

Transferring the sum of \$5,518.00 from M & O to salary & wages in the Airport budget for the year 1969.

Mr. Murtland moved that the resolution be adopted. Seconded by Mr. Johnson.

Verbatim request by Mayor Rasmussen.

Mayor Rasmussen: Is there any discussion? Mr. Gaisford. Is Mr. Phillips here?

Mr. Gaisford: Mr. Mayor and members of the City Council, this resolution, if you will note is a 1969 resolution of the Airport. The Airport is contemplating on cancelling their contract with TideAir for the watchman's services which had been budgeted under the maintenance and operational category of expert services. They are planning on hiring their own watchman and, therefore, it will necessitate having salary and wages appropriation, which we can take from the M & O category and transfer it into the salary and wages, thereby hire the watchman.

Mr. Bott: This money won't be spent then, until that contract is cancelled?

Mr. Gaisford: No.

Mayor Rasmussen: Further discussion by the Council.

Mr. Cvitanich: Mr. Mayor.

Mayor Rasmussen: Mr. Cvitanich.

Mr. Cvitanich: Now we had an arrangement with TideAir our there for a watchman. Didn't we receive in lieu of \$400 or some dollars per month and they provided \$450 some?

Mr. Rowlands: That is correct Mayor and Council members. However, in discussing this further with the new operator and Mr. Phillips, it was decided we would proceed to see if we could provide this coverage. We do have coverage every day of the week with a watchman; with the exception of two shifts on Saturday and Sunday; someone else is on duty from 8 A M to 4 P M. Otherwise the watchman covers the Airport seven days a week, twenty-four hours a day.

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Mr. Bott: How much did you say that was?

Mayor Rasmussen: Mr. Bott, I don't know if Mr. Cvitanich was through.

Mr. Rowlands: About \$450 or \$460.

Mr. Bott: \$450 is \$5400 a year, then isn't it?

Mr. Rowlands: Yes.

Mr. Bott: This is \$4,418, or \$118 more.

Mr. Rowlands: It is a little bit more, but we feel this is better to have a man---

Mr. Bott: So, it is going to be \$118 a year more.

Mr. Rowlands: Based on this information. I think, actually, that the amount of money we pay our guards is a little more than that.

Mr. Bott: What is that?

Mr. Rowlands: \$480 dollars a month, that's about right.

Mayor Rasmussen: Have you concluded, Mr. Bott?

Mr. Bott: Yes Sir.

Mayor Rasmussen: Have you concluded Mr. Cvitanich?

Mr. Cvitanich: No, I really hadn't. I'll yield to someone else, then I'll finish.

Mayor Rasmussen: Mr. Rowlands, as I remember the budget, just from glancing at it, they have an Airport Manager and his salary is \$12,601; they have an Airport Maintenance Chief and that is \$8,491; Two Airport Security officers, \$12,602, that would be \$6,301 a piece. They have an Airport Operations Assistant, budgeted at \$8,281. Five employees, and now you are going to put on another employee? My question, Mr. Rowlands is; you have an Airport Operation's Manager who lives at the Airport and gets his house rent free. Presumably, he is supposed to cover the job, living there and getting his house rent free. Why would we need three watchmen around the clock, Mr. Rowlands, when obviously with that crew on day, you need no watchman present on days; and you have two watchmen which one would be I presume, one would run from four to twelve and the other from twelve to eight, which would cover the security of the place. That would leave on days, the Airport Manager and Chief; and you would have the Airport Operations Assistant to cover on the sixth and seventh days, on a location basis.

I understand that TideAir, and this was part of the original agreement, that you have made with the Airport, even though they weren't paying any rent, we were paying \$450 a month for one of their employees to service their planes. And, incidentally, service the materiel when he wasn't servicing planes for TideAir. Why would it be necessary, Mr. Rowlands, to put another security man on?

Mr. Rowlands: Well, Mr. Mayor and Council members, in looking at the schedule,

you have five, five for seven days a week, twenty-four hours, three shifts. You can't do it with two people. It is going to take three persons to cover those shifts.

Now there is other work, of course, that has to be done at the Airport, obviously lots of work has to be done, both winter and summer as far as maintenance is concerned. There is clerical work to be done and overall operation of the field to take place. So I feel that it is important that you have this coverage. I think that has been discussed with the City Council.

I also feel that Mr. Phillips has spent many, many more hours over and above and beyond the call of duty. I have seen him at the Airport, you might say on a standby basis; constantly, if something happens, he is there. His home is close by, if he happens to be home and not outside the City or County. He is there, he is available. You couldn't expect him to scrutinize and have the survey over the Airport, twenty-four hours a day. Somebody would have to be available. I think we have an investment there; there is a tremendous amount of equipment, some \$250 or \$300,000 worth of equipment, which we received for a total of about \$8 or \$9,000 through Governmental surplus. It is mighty fine equipment.

I know, that removing the snow from the runways, there are many things they are to do. I feel it is very essential, we have this covered, we have too much invested to have,---

Mayor Rasmussen: No, you haven't explained to me Mr. Rowlands; why it is necessary to have an Airport Operations Assistant on at the same time we have an Airport Manager and the two Airport Security officers. It would seem that the 1969 budget of \$95,360 and an additional budget of \$5,518 would put it over \$100,000, and not a dime coming in from the Airport.

Mr. Rowlands: You have at the present time --- (three people talking at once.)

Mayor Rasmussen: You are going to pay the men more than what you present---

Mr. Rowlands: You have at the present time, under personnel services, if you have your budget, on Page 368, under Airport Summary; you have the five positions, plus the one of TideAir, is six. We have no more than last year. We have the same number.

Mayor Rasmussen: That's my question. Why not explore the possibility of re-assigning some of these men to cover your--and apparently you haven't done this. You say, Mr. Phillips knows a lot about the Airport, but this is your job, to oversee Mr. Phillips.

Mr. Rowlands: I would be very happy too. As a matter of fact, as I recall the Council wanted to have a little study based on this; we can do this, and I will check with him to know precisely how each man is assigned. But I can assure you that we have no extra men standing by for example, guard duty. They are doing other chores assigned. I can submit a memorandum on this.

Mayor Rasmussen: Any further discussion.

Mr. Cvitanich: Mr. Mayor.

Mayor Rasmussen: Mr. Cvitanich.

Mr. Cvitanich: I would merely like to say, in terms of the Assistant Airport Operator, he does a good job. Most all employees over there are dedicated employees, and, as much as I am opposed to the Airport, I think that this money we are going to spend for an additional man, would certainly be money well spent.

I took a position a number of months ago that TideAir violated its contract by not providing this twenty-four hour coverage, and I made numerous trips to the Airport. Mr. Finnigan is aware of it, I discussed it with him off and on. And in terms of twenty-four hour coverage, it was so minimum I was beginning to think that we had no coverage at all at the Airport. And, I called Mr. Hamilton, in terms of the City's liability with having Mr. Phillip's youngsters over there. I'm sure they are not familiar with the communication equipment or any of the other necessities that are required of an airport facility. You talk about investment, we have a great investment in that Airport over there. And I personally take issue with the way it is being handled and operated.

A number of years ago they met with the Naval Officers at Bremerton. Perhaps, you were at that meeting Mr. Rowlands, I was not. But we talked in terms of what this airport would do. We'd have air freight coming in for the Bangor Naval Supply Depot over there. Not a thing has been done in terms of trying to sell our Airport. Not a thing.

Kitsap Airport now is doing 99.9 percent of the air freight coming into that area. That airport is booming. We're busy over there; you talk about great background, cut a chicken's head off and he runs around like this, and he is still a chicken. So there is a lot to be desired. Now, I'll ask Mr. Hamilton, in terms of liability, what about un-authorized personnel at the Airport; Dr. Herrmann if you are aware of it; answering the phones and taking messages, etc.; I would like to know, specifically, the City's liability in case of an accident and who is authorized personnel to be over there?

Mr. Hamilton: Mr. Mayor and members of the Council, the first part of the question I can answer. Obviously if you have personnel performing tasks, of which they are not trained or knowledgeable, if anyone is injured as a result of any misdeed that that person might do, the exposure is considerable. Who is authorized and who isn't, I don't know.

Mayor Rasmussen: Maybe we should get this resolved then.

Mr. Cvitanich: Mr. Rowlands, Mr. Phillips' son, working out there on Saturday or Sunday.

Mayor Rasmussen: How old is he?

Mr. Cvitanich: Sixteen, answering the phone. Sitting in there taking care of the note pads and the communications, etc. He's in charge of the Airport.

Mayor Rasmussen: Have you completed Mr. Cvitanich?

Mr. Rowlands: No unauthorized personnel has come to our attention. Some months ago we discussed this point. Mr. Phillips was over, for example, at his home and somebody was there to answer the phone. As I recall that was the idea. In this particular case, the phone was tied up. That particular situation has been corrected. That is why we are trying to get qualified people on the payroll at the Airport. I might also say, Mr. Cvitanich, that one of the reasons we want to extend the runway and get the I L S, the landing system, to develop the Airport, is that we will have opportunity to beef it up; I'd say last year three organizations that came from Calif. originally, wanted to locate up here. Firms from Airports in Oregon, and once we get this second phase completed, once we get the I L S in there for landing, for additional land, it is going to be instrumented, the staff and I think that you will find the Puget Sound Governmental report on the Airport Development, will guarantee that point. But right now, going through Sea-Tac there is something like 3,000,000 passengers right now. By 1980 you are going to have about 25,000,000. Obviously the CAB is going to

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give us our share of that business, whether it is freight business or some other business, because we will be able to handle it from Sea.-Tac. We feel we are moving in the right direction and with these improvements, I am sure we will have much more activity.

Mr. Bott: Mr. Mayor.

Mayor Rasmussen: Mr. Bott.

Mr. Bott: It has been said you are figuring on changing that contract with TideAir. Has there been anything done, any action, in that regard, as yet? To replace his man with our man? The contract is still in effect isn't it?

Mr. Rowlands: No, not now.

Mayor Rasmussen: Nobody now.

Mr. Bott: The contract was with TideAir; it has no bearing on the fact that the ownership of the corporation has been changed. The contract is still with the corporation, am I correct?

Mr. Rowlands: Yes, but the point is, I think the timing is expired; you are correct on that, but it is a matter of renewal, I believe we have notified them about the renewal.

Mr. Bott: I wondered since we have not done anything, I wondered if a two weeks delay would affect the passage of this resolution.

Mr. Rowlands: I think it is already; the fact that the change is obviously due, so a man is on duty now, that is how it stands right now.

Mrs. Banfield: Mr. Mayor.

Mayor Rasmussen: Mrs. Banfield.

Mrs. Banfield: I just want to ask a question. You mean you have signed a contract with a man to be on duty out there now, without our authorization?

Mr. Rowlands: We haven't signed a contract, Mrs. Banfield. This transfer, if this transfer takes place, this man will then be on our payroll. Until this takes place, he is still on TideAir, so if this is approved he will go on the City payroll.

Mr. Bott: I move a two weeks delay on this. Seconded by Mr. Cvitanich.

Mayor Rasmussen: It has been moved and seconded that Ord. No. 20042 be postponed for two weeks. No debate. All those in favor say Aye. Opposed, No. Ayes have it. Resolution 20042 will be postponed for two weeks.

Mayor Rasmussen: Do you want the no's registered? Mr. Johnson wants to be recorded as voting No. Mr. Murtland wishes to be recorded to be voting No.

Mr. Cvitanich: Roll call.

Mayor Rasmussen: Roll call Mrs. Melton.

Roll call was taken on the motion to postpone the Resolution for two weeks, until Feb. 18th, 1969. Ayes 6: Banfield, Bott, Cvitanich, Finnigan, Zatkovich and Mayor Rasmussen. Nays 3: Herrmann, Johnson and Murtland. Absent 0. Motion carried.

Resolution No. 20043

Approving the annexation petition of William D. Brown, et al, for the area on both sides of So. 96th St. between Hosmer St. & FIA #5 (Freeway).

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

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

Ayes 9: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland Zatkovich and Mayor Rasmussen.

Nays 0: Absent 0.

The Resolution was declared passed by the Chairman.

Mayor Rasmussen requested that Mr. Rowlands schedule a study session in two weeks for a discussion relative to the Airport to be held at the Airport with Mr. Silva and Mr. Phillips being present.

Mr. Rowlands stated he would arrange it.

Mayor Rasmussen also announced for the Council's information that a meeting with the Planning Commission is tentatively scheduled for Feb. 13th, 1969.

A number of Councilmen stated they could not attend on Feb. 13th.

Mayor Rasmussen stated he would consult with the Planning Commission and then inform the Council of another date.

Resolution No. 20044

Accepting certain offers to sell real property from the Bank of California for the purchase price of \$25,000 for property at 1123 Market and 1124 Court C in the Urban Renewal Project No. Wash. R-14.

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

Mr. James Wright, Urban Renewal Director, explained the location of the property. He added, it is now being occupied by two tenants at an approximate monthly rental of \$185.00. He noted this was put out for bids to private developers.

Mayor Rasmussen asked that Mr. Wright submit the engineer's report on the two parcels of land.

Mr. Wright said he would submit this report at the next meeting of the Council.

Mayor Rasmussen stated that Mr. Rowlands is in the process of making a survey to see what the Council can do about equalizing taxes on these properties.

Mr. Rowlands explained that any taxes that are necessary will be paid by the parking garages downtown. The property taxes will be paid by the Parking Corporation and will be collected by the County Assessor. It is out of the City's jurisdiction. The Dean Witter Co. will be taxed on the land, this is in the agreement.

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

Ayes 7: Bott, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 1: Banfield. Absent 1, Cvitanich (temporarily)

The Resolution was declared passed by the Chairman.

FIRST READING OF ORDINANCES:

Ordinance No. 18743

Amending the Pay & Compensation Plan to include a new classification of Model Cities Director.

Mayor Rasmussen asked if the Director will be paid at the starting salary of \$1155 a month.

Mr. Rowlands explained that the person employed as the Model Cities Director should be a graduate from a four-year college or university with a specialization in city or regional planning, etc; however, if the man is an unusual individual he could qualify under, any equivalent combination of administrative experience and training.

Mr. Rowlands further explained that the Advisory Council has been working on this. January 31st was the last day to submit applications for this position. There were thirty-five applications submitted, he added.

Mrs. Banfield asked if the Council was going to screen each of these thirty-five applications.

Mr. Johnson advised the Council that the Advisory Council of the Model Cities is a large group and they have elected an executive committee which has appointed a sub-committee of about nine persons who are screening the applications as they are received. As the applications are being checked a rating is assigned to each one, based on quite a series of questions. These instructions have been to select the top five applicants out of the thirty-five and submit these five applications to the Executive Committee. At that point, it is felt that the top five will be given an individual oral examination and personal interview.

The final determination has not been made as of Monday night. The committee has not, as yet, determined at what point the applications will be turned over to the City Council. Mr. Johnson felt perhaps, just one or two should be scrutinized by the City Council, or at the very most three.

Mayor Rasmussen asked that two copies be made for the Mayor of all applications recieved.

Mayor Rasmussen stated, it was the Council's intention to put the Model Cities, Urban Renewal and Planning all in one department for overall supervision. He asked if this also was Mr. Rowlands' intention.

Mr. Rowlands, City Manager, explained that these Directors meet with him frequently to have a change of ideas. He did not feel at the present time it was necessary to make this change as long as there is a good relationship between the departments. He added, the Model Cities Director in Seattle will also be a member of the staff and close liason will occur with the directors who are involved in the plan for the area.

Mr. Cvitanich felt the Planning Commission should have knowledge of such a change since they are responsible for the planning for the City of Tacoma.

Mr. Fred VanCamp, Civil Service League's Business Representative, asked if this classification would come under Sec. 1.24.980 which is the section pertaining to the major independent construction and urban renewal projects. This section states when such a project is completed, the employees are no longer

employed by the City.

Mr. Rowlands explained at this moment the answer is 'no'. This possibility has been discussed and there seemed to be no reason why these personnel could not be handled as the Urban Renewal personnel or major projects personnel.

Mr. Cvitanich asked that Mr. VanCamp prepare a list of personnel in the City for the Council's perusal who are in this category.

Mayor Rasmussen felt that in establishing new departments, the personnel should be established under Civil Service.

Mr. VanCamp, felt the basic reason this has not been done, was because these projects are a limited term project, only for a certain number of years.

The ordinance was placed in order of final reading.

Ordinance No. 18744

Appropriating the sum of \$110,598.26 from the General Fund of the City for and as an additional subsidy for the fiscal year 1968 in order that the Tacoma Transit System Fund may meet obligations which have become due and payable during the operation of the System during the calendar year 1968.

Verbatim as requested by Mayor Rasmussen.

Mayor Rasmussen: Is there any discussion on Ordinance No. 18744?

Mrs. Banfield: Mr. Rowlands, I can't find anything in accounting that takes in the revenue from the passes, under the Transit in the budget. I am sure it must be there somewhere, but I can't seem to find it.-The Senior Citizens' passes.

Mayor Rasmussen: What page is it on?

Mrs. Banfield: Transit is on 352.

Mr. Rowlands: You want to know about the revenue?

Mr. Gaisford: Page 41. The revenues are all on the yellow pages. It would be under Customers Fees.

Mrs. Banfield: Also, I wanted to ask about, and I asked about this when we were going through the budget.

Mr. Gaisford: Mr. Hendry, just handed me the revenue from that source; it is \$55,158.00.

Mrs. Banfield: But, I can't find it in the budget.

Mr. Gaisford: It wasn't combined there.

Mr. Rowlands: It was combined under Page 41, Account No. 47110. Again perhaps, an explanation to break it down is in order.

Mrs. Banfield: OK.

Mrs. Banfield: Again I had asked Mr. Erdahl when we had the budget hearings about this Ordinance, \$37,000, an ordinance to pay for billing. Now, I find that on Page 353. Then you go over to the Utilities to find out how much they take in from the taxpayers for their billing and it is \$52,528.00. He told me that would be substantiated in some manner. I find, the new budget came out and we are still listing \$52,528.00. I would like it explained.

Mrs. Banfield: Under Transit Tax Collection Expense of \$37,000. Then you go over to Utilities to see what they pick up from the taxpayers and that is---

Mr. Rowlands: This is treated as reduction to revenue and not budgeted as an expense in 1968; that is what has happened. Under footnote (c), Transit Tax Collection Expense; perhaps, it is a little high. On page 353, under footnote (c).

Mr. Gaisford: The correct figure for the 1968 amount is a little over \$43,000 that was paid to the Utilities for this collection expense.

By the way I might state this, that the controller of the Utilities sent his formula down to our division to go over to see that we agreed with him in the charge outs. After going over the entire operation that he has at the Utilities, we entirely agree with the charge out of \$43,000 for the year 1968, on the basis in the way they started out. Now, the \$37,000 was the amount that was estimated for 1969 and this amount would probably be well short, it will probably be approximately \$10,000 short.

Mrs. Banfield: This is my question now. It states \$37,000 in the budget under Transit, that we are collecting. Then you go over to Utilities, on page 20 of the Utilities budget, and you find Transit has collected for the budget, 1969, \$52,528.00. What makes a difference of \$15,000.

Mr. Gaisford: This is there estimate for 1969, Yes, Mam.

Mrs. Banfield: That is quite a bit, it didn't come out the same last year either. And when we had the budget hearings I questioned this, and Mr. Erdahl said, yes, it had to be the same in our budget.

Mr. Gaisford: I agree with you, Mrs. Banfield. The amount of \$52,528 should be as an expenditure in the Transit budget. I thoroughly agree with you. I have no answer for that question.

Mrs. Banfield: OK. Then on Page 354, we have under M & O, other General Expense in the amount of \$5,000. I want to question that; I want it broken down. \$5,000 is \$5,000, and I would like to know what--

Mr. Gaisford: I don't believe, Mrs. Banfield, Mr. Hendry or myself could give you that right off the top of our heads. We could give you a report.

Mrs. Banfield: Will you find out for me.

Mr. Rowlands: We can let you know what that consists of.

Mrs. Banfield: Did you not say that the Transit Company's dues were about \$2,000. It seems to me that I remember you saying that Mr. Rowlands. I cannot find the dues of the Transit Co. in here at all either.

Mr. Rowlands: Mr. Hendry, that would be the American Transit System.

Mr. Hendry: This is the American Transit Association.

Mr. Rowlands: I don't know whether this would be under the other General Expense or not; we'll have to check that out.

Mrs. Banfield: Any place else in the budget, you put down Association dues, but in the Transit Co. we haven't put it down. You have to take care of the dues somewhere in the budget.

Mr. Rowlands: I am sure it is under this category. We can find that out for you.

Mrs. Banfield: I would like you to find that out for me, OK. Thank you.

Mrs. Banfield: Oh, Mr. Mayor, I did have another question. Has the Fire Dept. repaid the \$9,200 that the Transit has put out in repairs for the fire trucks, yet? That was supposed to be put in here, I just--

Mr. Rowlands: Well, we have the maintenance center now for the fire equipment, Chief Reiser.

Fire Chief Reiser: Mr. Mayor and members of the Council, the billing is handled on a monthly basis in the order of a Work Order. In other words, we submit to the Transit System a Work Order for a certain job that has to be done, they bill it out to us once a month in a composite monthly billing. And this is paid to the Transit on a monthly basis. I was not aware of any shortage unless we haven't been billed for it. We have been paying to the Transit all that has been billed to us.

Mrs. Banfield: Well, this came up during the budget hearing. I don't have my budget here with me tonight unfortunately, but I took it out of my budget that I worked on during the budget hearings.

Mayor Rasmussen: Mr. Hendry.

Mr. Hendry: Mrs. Banfield, Mr. Mayor and members of the Council, I just checked up today what the cost for 1968 to the Fire Dept. was, it was approximately \$31,000. This is labor and parts. And the parts were approximately \$10,000. When we took over the work of the Fire Dept. we put an additional man on to handle the work load. The profit, as you might call it, that the Transit Dept. made from the Fire Dept. was approximately \$11,000.

Mrs. Banfield: \$11,000; now, how does the figure compare when the Fire Dept. was doing their own repair.

Mr. Hendry: I'm sorry, Mrs. Banfield, I could not say; but I might say that I am sure the equipment is in a great deal better condition than it was, at the present time, although Chief Reiser could probably answer that.

Chief Reiser: Mr. Mayor and members of the Council, I don't have the exact figure here on what it has been costing us, so I would rather not give you just a figure off the top of my head; it varies from year to year and it has been gradually going up. But, I would like to give a good hearty second to what Mr. Hendry just said. We now have a standard of maintenance that is based on, not only just need,

but on doing the work before the big breakdown comes along. And, as a token of what has been done, I think we've had two, three or possibly four major fires since the Transit has taken over, and we have not had a breakdown at these fires, which is I think a credit to the job that the Transit is doing in our maintenance work.

Mrs. Banfield: I was just sort of interested in comparison.

Chief Reiser: I think our bill, just off the top of my head and I don't want to be held to these figures; but I think our bill had been running around \$22 or \$24,000 a year before the Transit took over. And we were doing the jobs that had to be done on a breakdown basis and we were getting so far behind that it was quite disturbing to me to think of depending upon this apparatus to take care of emergencies. Now, we don't have that feeling, and we feel we are in a very safe area.

Mrs. Banfield: Thank you.

Mayor Rasmussen: Further discussion on Ordinance No. 18744. Mr. Rowlands, how is the pay period handled. A man comes to work today, he receives his first pay check in two weeks or in four weeks?

Mr. Rowlands: On a two week's basis. We pay every other Friday.

Mayor Rasmussen: Hold back five days and then in the first two weeks' pay period he would get paid for five days?

Mr. Gaisford: It's according to how the period runs.

Mayor Rasmussen: Then Mr. Rowlands, how did we expend \$141,000 over and above what was appropriated for 1968?

Mr. Rowlands: That's the amount of money that is an expense over and above the amount that was received from the Transit Tax. I think that comes out something like \$50,000, and then we had to reduce that around \$43,000 to pay Utilities. We had all ready appropriated \$30,000, so in order to keep the operation rolling, we asked for another transfer for the year.

Mayor Rasmussen: Mr. Rowlands, do we allow the department, exclusive of the budget, as much money that comes in from the taxpayers, be allowed to spend and we have no control over it; or are they on a budget the same as any other department?

Mr. Rowlands: It is the same situation as on a budget, estimated----

Mayor Rasmussen: Could you tell us what was remaining in their budget as of the November financial report? I don't know if I'm reading this right. The appropriation was \$1,564,534 for salaries and wages. It would indicate the salaries and wages in November were \$131,781, and for the year to date. Now the salaries and wages in November were \$131,781, the balance showing in the November financial report shows \$147,503 for salaries and wages. I would indicate to the un-educated eye, looking at it, that there was sufficient. The salaries and wages and the pay, \$131,000. Would this be right, Mr. Rowlands?

Mr. Rowlands: I would refer to my financial record on that. This ordinance is to appropriate and sets up a transfer of funds to the Tacoma Municipal Transit System, as an additional subsidy for the year. In this particular Ordinance No. 18744, you are just making that transfer, directly to the Transit System. You are not spelling out, are you Mr. Gaisford?

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Mayor Rasmussen: Well, as I look at the ordinance, it is taking from the General Fund, the sum of \$110,598 of the City. Which is the only thing we have for any emergency appropriation if we need additional firemen, policemen during the year. This would be a surplus to appropriate from, out of the General Fund.

Mr. Rowlands: Remember, this is of the 20th of January. The books have to be closed, so the money is being appropriated out of the General Fund.

Mayor Rasmussen: The Finance Director's report under November would indicate that \$131,000, salaries and wages, and it would show a \$147,000 balance, wouldn't that be enough? I'm just trying to get some information from the City Manager here--

Mr. Rowlands: I think Mr. Gaisford should answer that; I could give you the answer, but I think Mr. Gaisford----

Mayor Rasmussen: It would be handy. Mr. Rowlands is calling on you, Mr. Gaisford. Tell us about it.

Mr. Gaisford: Mr. Mayor and members of the City Council. There are quite a few things that have happened within the Transit System that cause this emergency of \$110,000 and an appropriation of \$141,000. Number (1), the salary and wage classification, instead of being two pay days during the month of December, there were three. So, this would be one reason why the salary classification would be in an overdraft.

~~In regards to the \$110,000 appropriation from the General Fund, as an additional subsidy to the Transit System. The Transit System had taken a loan from the General Fund in 1967 for the tune of \$68,000, which was to be repaid in one year. We repaid this loan in 1968, which the amount we repaid it, it threw the Transit System back into an overdraft.~~

We could have brought this ordinance in on the basis of a loan, temporary loan; but I believe that management realizes that we would be doing more than kid ourselves in paying a loan to the Transit System. So, therefore, we requested to come out in a direct appropriation, and clear up---

Mayor Rasmussen: Did you know about this when the budget for 1969 was made up?

Mr. Gaisford: I would say, not at the direct month of October. No, I did not. I can honestly say that. I would say, that possibly we could see the handwriting on the wall when it came to thinking about the repayment of some \$68,000. We saw that, and saw the angle in which the Transit System was in. We probably, at that time, I say that possibly I should have called the Manager's attention to the fact that this money was needed to operate the Transit System.

The Transit System was in the black; if you will check back through the months, and I think you could check through October, that the Transit System still was not in an overdraft position.

Mayor Rasmussen: Mr. Gaisford, you're kinda losing me around that mulberry bush, that you're running around. And this is the only thing that I, as a Councilman and Mayor, has to go by. Your financial report, November of 1968.

Now, as I look at that, it would show that there was sufficient money left in the salaries and wages fund to pay the month of December, assuming they would operate on the same level as in November, and there is no reason for not assuming that. Now, I notice here, there is an additional \$55,000 for salaries and wages, which would indicate that they had expended, some \$16,000 over the

amount, it shows in your financial report, plus \$58,000. How could we arrive at this much additional salaries and wages?

Mr. Gaisford: One payroll costs the Transit System approximately \$65,000. That is an average of two weeks, for every two weeks the Transit System is operating, you can figure that \$65,000 is going to be expended for salaries and wages alone. Now, if you have three pay days, instead of having two pay days; three pay days being charged out in the month of December, that would be three times \$65,000 or \$195,000.

Mayor Rasmussen: You just can't get six weeks in a month.

Mr. Gaisford: Well, we can take a look. Your pay rolls always end on a Sunday. The last day of a pay period is on a Sunday. Now, there could be a payroll ending on the 7th, 21st and then would come out--let's go back to the 30th of November. The 30th of November ended a pay period which would not be charged out until the month of December, so that would be one, then you would have one on the 14th and one on the 28th of December; you are bound to have three. You have twenty-six pay periods in a year; twenty-six does not divid----

Mayor Rasmussen: You make out the payroll checks in your office?

Mr. Gaisford: Oh, yes.

Mayor Rasmussen: Knowing that you were going to have that much payroll in the month of December, if you were going to have it, and I'm not sure yet that you had that; you showed \$131,781, expended in November.

Mr. Gaisford: Yes, Sir.

Mayor Rasmussen: Then you would look at the balance of \$147,000 available, and then, would you, in all ordinary course of events, advise the Manager that you had run out of money to finance this department?

Mr. Gaisford: It is a point that should have been done, yes Sir.

Mayor Rasmussen: Then the Council would make an emergency appropriation?

Mr. Gaisford: Yes.

Mayor Rasmussen: All right. Well now, let's go down to maintenance and operation which shows a total of \$432,581 appropriated, it shows that in Nov. they spent \$39,235. It shows that an unexpended balance available for maintenance and operation \$545.

We'll go back to the \$39,235 they had spent in November, you are requesting in this appropriation \$86,224 for maintenance and operation. Is there an explanation?

Mr. Gaisford: Yes Sir, there is.

Mayor Rasmussen: Practically two and one-half times what was expended in November.

Mr. Gaisford: This is the point, as I say. The Transit System we could see; possibly in the first part of Nov., we could see that the Transit System was in an overdraft position and should have come to the City Council at that time and asked for an additional appropriation.

Mayor Rasmussen: And it wasn't done.

Mr. Gaisford: It was not done.

Mayor Rasmussen: The money has been spent. Well, it is quite evident that this has been operated like you operate out of the sugar bowl at home; you put so much money in there and your wife comes and helps herself and nobody knows, and everybody helps themselves until you get to the bottom. In spite of what the law says.

Now, I want to make it clear to everybody that many have been listening to this, and I'm quite interested, because it is the City Council's job to shoulder these responsibilities, and this is what the people elect the Council for. It is quite evident that the Council is an unnecessary nuisance in the eyes of the law to people, as far as the operation of the City goes, even though they were elected by the people to do the job.

I want to make it further clear that this is not my friend Clar Gaisford's responsibility. That he has fought back against this practice very sturdily. Knowing the law as well as he does, that he has not approved of this operation; and I don't want anybody to think that I personally am blaming Clar Gaisford or that any other Council member is, because this is not his responsibility and he has been doing it under duress.

Mr. Murtland: 'Oh, God.'

Mayor Rasmussen: If you want to pray, I'll join with you. I might say it is a praying matter, yes.

Mr. Murtland: When you make statements like that, somebody, the Deity, or somebody has to be called on.

Mayor Rasmussen: I happen to know and have a lot of confidence, and also have other information that you don't have, Mr. Murtland.

Mr. Murtland: Well, that's fine.

Mayor Rasmussen: I have a lot of confidence in Mr. Gaisford and Mr. Schuster. But I would think that this ordinance should be postponed; I would think we need further explanation in regards to our skyrocketing costs because you can't continue on this way. I'm not interested in the fact that Mr. Rowlands might say, some other City has lost more money than we have. I am concerned, number 1, to the fact that this money has been spent without the Council's approval; and number 2, the Council may not have approved it if they had, had advance notice and it would have been necessary to say to tighten belts some place, or re-arrange, and provide a lessening of expense.

I am also concerned with one more question; and I don't have enough information to, and I am sure nobody here has the information. Approximately three months ago, at the start of school, we started busing additional youngster around to the schools. We should show a tremendous increase in revenue if we were making money on it. But, this may account for some of the increased costs that have been accumulated and have been paid for, even though unauthorized. So, I think that the Council, before we authorize \$141,000 additional subsidy, is deserving of having more time to look at this and make up their minds as to what the procedure will be.

Mr. Bott: The Transit Director put his hand up, he would like to answer that.

Mayor Rasmussen: I'm going to give him time to answer.

Mr. Bott: He should have an opportunity to answer it right now.

Mayor Rasmussen: Very true, all right, Mr. Hendry, would you take the microphone and give us an explanation. Do you want to talk too?

Mr. Gaisford: Yes, Sir, I do.

Mayor Rasmussen: OK, you'll have the floor.

Mr. Hendry: Mr. Mayor and members of the Council. Actually, when we started to bus school students to special areas, it was anticipated that the additional revenue would be \$50,000 a year. In the month of Sept., Oct. and Nov. and Dec. our charges to the schools have increased by an average of \$6,000 a month, times nine, approximately \$54,000.

Mayor Rasmussen: So, we get it straight. Mr. Hendry, is this from the fall semester when we started busing additional students?

Mr. Hendry: This is correct; Sept. Oct. Nov. and Dec., four months.

Mayor Rasmussen: Four months, \$6,000 a month.

Mr. Hendry: An average of \$6,000 a month.

Mayor Rasmussen: That would be \$24,000.

Mr. Hendry: For nine months it would be an average.

Mayor Rasmussen: We are figuring only what our additional costs would be and additional revenues.

Mr. Hendry: The total school revenue over 1967, and I'm including the student fares, 12 1/2 cent fares and the free passes that a fixed number of students have, increased in 1968 over 1967 by \$53,000. This is the amount that our school revenues have gone up.

Now, on that amount, School District No. 10, paid for the transportation for their students, \$314,000. This school work amounts to approximately 32% of our total work.

Now, your adult fares, reduced for 1967 from \$950,000 to \$939,000 or dropped \$11,000. All other categories have gone up. The only thing I can contribute to this, is as I said, when you folks put in the Senior Citizens' passes, that this would reduce our revenue. If we apply the same percentage of our increased schools and our increased bills, of revenue, it looks like it was approximately \$25 to \$30,000 of the cost.

I am not speaking against the Senior Citizens' passes in any way. I think they are doing a wonderful job.

But, I am speaking of the revenue received by the Transit System. Those are the facts, where the money is gone. Our total income is up over 1967 in 1968 approximately \$38,000.

Mayor Rasmussen: Mr. Hendry, so we can get this in true perspective, you say the schools are paying \$314,000.

Mr. Hendry: In 1968, the bill to Tacoma School District No. 10, was \$314,099.00.

Mayor Rasmussen: Rounded off. You said that it was approximately 32% of our operation.

Mr. Hendry: Yes Sir. The total school fares, Sir. This is the reduced 20c fare; the School District No. 10; plus your Parochial Schools and those who buy their school tickets out of their own pocket.

Mayor Rasmussen: What percentage have our operating costs ---

Mr. Hendry: I don't have that broken down.

Mayor Rasmussen: My question was, if our school busing, I'm not talking about special, I'm talking about all busing, would indicate that it was 1/3rd of our total operation, would it also indicate that they should be paying approximately \$700,000 of the total, which would be unfair to the total budget, roughly.

Mr. Hendry: Well, the schools do not contract to pay for 1/3rd of our budget. They pay for the service that we render them, and they are paying that; in fact, if we made in the entire system, as much as we do from our school revenues, we would be in excellent shape. We are losing our money on regular service.

Mayor Rasmussen: What I'm talking about though, what I'm trying to arrive at, is if we are, our total operation, and then what percentage of that is the schools operation; that's one-third, which should be \$700,000. If schools can get 90% reimbursable, both for new buses and for operation, we probably ought to take another look at it, we can't continue increasing, what is our total subsidy? \$550,000?

Mr. Hendry: Approximately, a matter of \$480,000.

Mayor Rasmussen: \$480,000 from the 75c transit tax. We are putting in an additional \$141,000.

Mr. Hendry: Correct.

Mayor Rasmussen: This is why I think it is important to be brought to the attention of the Council, as the law provides, before the money is expended. You must have known that it was going to run this deficit.

Mr. Hendry: That is correct.

Mayor Rasmussen: Did you advise Mr. Gaisford.

Mr. Hendry: No, Sir.

Mayor Rasmussen: This has been the practice.--

Mr. Hendry: He is very well acquainted with this.

Mayor Rasmussen: The Department heads never had to keep within their budget, or advise the budget director.

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Mr. Hendry: The Transit--

Mayor Rasmussen: Did you advise, Mr. Rowlands?

Mr. Hendry: No, Sir.

Mayor Rasmussen: He get's the same report the rest of us do and he will take his information off of this report?

Mr. Hendry: I assume so, yes.

Mr. Rowlands: Mr. Mayor, we went over this before; the same procedure as last year; there is nothing about the procedure last year, the Council was agreeable to the procedure. And, now you bring it up a year later. We are willing to make any adjustments in changes of procedures you so desire. It is obvious when you pay additional salaries, wages, you are going to continue to have a larger deficit. No doubt about it. Now, I think your suggestion you made is a good one, and we have already talked to Doug about this, talked to him about this before; particularly about the schools. If there was any way we could get some of the money, without them actually going ahead and purchasing buses, it would cost the people of the State considerably more. But we are watching that. We are talking about new routes, talking about the flexibility of the System. We have a new subdivision being developed. We are just running the System at a loss, and this is not unusual. You said not to mention anybody else, but I am; one place, \$400,000 Seattle and \$8 million in San Francisco. I keep repeating this, almost all systems have to subsidize if you increase the wages and you have an absolute society, and you have a two or three car family, and you are going to continue to have a larger deficit.

I would like to put you on record right now, Council members, you might as well bring this up now, because we are going to run into this year with a deficit, despite the fact we are going to try to use all techniques possible and find in other ways to get people to ride the buses. It is a necessity for many people.

Mayor Rasmussen: Mr. Rowlands, are you familiar with the State Law?

Mr. Rowlands: You know----

Mayor Rasmussen: Budgetary procedure.

Mr. Rowlands: Budgetary procedure. It is the same procedure we followed last year and no one called this inquisition last year, Mr. Mayor. The same situation over the same---you went through the same procedure over a year ago and, therefore, it was assumed by everybody, as the Council had been following this procedure for years, was in agreement. I do not recall these questions being asked last year, in the same situation.

Mayor Rasmussen: This was done with your full permission and, in fact, by your instructions.

Mr. Rowlands: Agreement with the City Council. Under instructions, No.---

Mayor Rasmussen: I was getting further information from Mr. Hendry when you interrupted. Mr. Hendry, have you ever run a break down to determine what proportion of your services are devoted for school transportation? Percentage-wise

Mr. Hendry: Sir, no I have not.

Mayor Rasmussen: Has anybody asked you to do that?

Mr. Hendry: No Sir.

Mayor Rasmussen: Manager, ever asked you to do that?

Mr. Hendry: Not to my knowledge.

Mayor Rasmussen: He said he had discussed it with you, just now.

Mr. Hendry: The Manager has discussed basically all phases of transit to promote.

Mr. Rowlands: Let me answer---

Mayor Rasmussen: Mr. Rowlands, would you let Mr. Hendry answer, please. I,--- give him the courtesy of the floor the same as we give you.

Mr. Rowlands: OK.

Mayor Rasmussen: Mr. Hendry you never, then specifically, discussed a break down on what your operating costs were and whether or not any increase in fares should be justified by the service; whether we would benefit by leasing a certain portion of our buses directly or selling them to the school system?

Mr. Hendry: In no way Sir. No. We have operated this as a municipal government, a division of a municipal government. And this is the way we have operated.

Mayor Rasmussen: Thank you, Mr. Hendry.

Mr. Rowlands: Mr. Mayor.

Mayor Rasmussen: Mr. Rowlands.

Mr. Rowlands: On many occasions, Mr. Hendry, you and I have discussed the Transit System; asking you the ways and means of affecting economy, if possible. We have discussed the question as whether or not the schools, are in fact, paying. In fact, just during the last two or three days we have discussed this particular point, whether in fact they are paying their just percentage, and you told me this evening they are going very well in payment. In saying this never has been discussed; it has been discussed. It was discussed with Mr. Bond over here, ways and means of trying to promote people to use the Transit System. I know that Mr. Bond would even like to have more advertising promotion, if you will.

They have tried all kinds of systems, grants again throughout the Country, even picking up people at their homes. Having a help system, having hostesses serving donuts and coffee in the morning. But this is all under a grant which would be very expensive if you continued it under normal circumstances.

So we have discussed this. I think Mr. Hendry will agree on many different occasions, trying to figure out ways and means. We have talked about a crosstown route. We have discussed that too. All that can be done, without going any further than that.

Mayor Rasmussen: Mr. Rowlands have we ever applied for a federal subsidy to operate our bus system?

Mr. Rowlands: We have applied for a federal subsidy, Mr. Mayor, and we have received two substantial grants.

Mayor Rasmussen: For operating our---

Mr. Rowlands: Not in operation. We were going to, Mr. Mayor, as you recall, last year but the Council did not approve the suggestion. Mr. Bond and I discussed it. We came up with a proposal, as I recall. Mr. Bond tried to have a program of going out into the neighborhood, almost a house to house basis to persuade people they should use the Transit System. At that time members of the Council did not feel it was appropriate and it would be an invasion, a request for subsidy in this direction.

Mr. Johnson: When was that last survey made? Three year's ago, we had somebody come in.

Mr. Rowlands: I think it was about four years ago. I would be very happy to have any one of the Council to come in here and analyze the System. In this System we just need more riders.

I might say this, if you want to talk about increasing the rates for children to 15 cents. That is something the Council discussed several years ago, five or six years ago. And at that time in your wisdom it was felt better to give the youngsters a break. Often time the parents have, maybe, four or five children in a home, it would be pretty expensive to have to----

Mr. Johnson: Has the Mayor read a copy of that report?

Mr. Rowlands: I am not sure. It is available in the office.

Mayor Rasmussen: I don't think I have seen any report. I think everything was shifted down to the Historical Society, and locked up for fifty years. So, however, I don't recall Mr. Rowlands you ever talking with the Council about the matter. You have have discussed it with somebody else. People you discuss things with, don't seem to remember the discussion.

Mr. Rowlands: It was just a year ago, we can check it back.

Mayor Rasmussen: Do you wish to speak to this issue?

Mrs. Coonan: Mayor Rasmussen, and Honorable members of the City Council, because of the fact that the City has been breaking a law in the past, doesn't give them any right to continue to break the law. And I think this has gone far enough. We just spoke on the law in the \$27,000 appropriation. Now, we are up to \$110,000.

Mayor Rasmussen: \$141,000.

Mrs. Coonan: I'm sorry then, I just quoted from my agenda. When Mr. Hamilton read the law, he did not continue. It states, "Liabilities incurred by any officer or employee of the city in excess of any budget appropriation shall not be a liability of the city."

Mr. Hamilton: I read that.

Mrs. Coonan: But you stopped there. Did you go on to say, "The clerk shall

Issue no warrant and the city commission, council or mayor shall approve no claim."

Mr. Hamilton: I did, Yes.

Mayor Rasmussen: This is partly why I asked our legal authority as to whether we would be violating our oath of office if we voted for this.

Mrs. Coonan: Your City Attorney did read that, aren't you violating your oath of office, to have even passed on the last one?

Mayor Rasmussen: This is my concern.

Mrs. Coonan: And, then, does it? Well?

Mayor Rasmussen: I think you are right.

Mr. Bott: The attorney assured us we weren't, that we were right.

Mrs. Coonan: Well, the City Attorney--it would be our City Council members' place to question the Attorney General's office, or get a new one, because it says here-- it specifies, "an order of the court of competent jurisdiction."

Mr. Bott: I'll take his interpretation, rather than yours any day.

Mayor Rasmussen: Mr. Bott, will you give the lady the courtesy of the floor. She is not addressing herself to you.

Mrs. Coonan: I can read the law, can you, Mr. Bott?

Mr. Bott: I can read it, but I don't question it.

Mrs. Coonan: I can question too.

Mayor Rasmussen: You have the floor, but I don't want you to debate back and forth. You make a statement, and then you can address the Mayor.

Mrs. Coonan: It is just unbelievable that this can go on. Now, this is in the budget. You are appropriating money for a 1968 budget item. Now, certainly if we have people so incompetent as heading departments that they cannot see that they are running into this much expenditures, something is terribly wrong. The taxpayer has nothing to go in this town any more.

Mayor Rasmussen: Let me say, you are absolutely right. And it is very apparent that something is terribly wrong.

Mrs. Coonan: I think, the City Manager, to stand up here and say we have been doing this for years it must be all right. If they have been breaking the law for years, it doesn't exonerate them now.

Mayor Rasmussen: I gather what Mr. Gaisford said, we are not only violating the law concerning the 1968 budget but we are also picking up the 1967 budget, was merely mentioned. Is that mentioned at all in the budget of 1967? The \$58,000 he said was assessed in 1967?

Mr. Gaisford: Mr. Mayor, I believe there was a resolution. We could not have loaned the Transit System five cents without the authority of the City Council.

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Mayor Rasmussen: What date did the resolution pass? And when was the repayment?

Mr. Gaisford: I don't have all that here, but in just a moment I can bring it up to you, I know exactly where it is.

Mayor Rasmussen: In 1961 Mr. McCormick rendered an opinion about loans between funds. It cited five supreme court decisions which said loans could be made between funds, providing, this is the supreme court's ruling, providing that those funds specified repayment.

Mr. Gaisford: By a solvent fund and maybe planned for repayment.

Mayor Rasmussen: Specified repayment with the going rate of interest. This is the supreme court ruling.

Mr. Gaisford: With the exception of your General Fund, Sir. When we acquired the Transit System in 1961, we specified in the acquisition of the system by purchase, that the General Fund could subsidize the Transit System by a direct grant, loan or anything we wanted to do as far as the Transit System operation goes. This is also true with the Airport as a Utility. All other basic Utilities may not borrow.

Mayor Rasmussen: It must require a specified time of repayment with interest. Is this right, Mr. Hamilton?

Mr. Hamilton: Correct.

Mayor Rasmussen: This we have not been doing.

Mr. Gaisford: Yes, we have.

Mayor Rasmussen: Then how can we pick up a \$58,000 debt back in 1967 and not mention it in the budget, as an item that is budgeted for repayment.

Mr. Hamilton: Mr. Mayor and members of the Council, I'm assuming from what Mr. Gaisford said, there was a Council authorization initially to make that loan.

Mayor Rasmussen: We have probably better have a copy of that made available to the Council. I would like to ask one question Mr. Hamilton, while you're there. We appropriated \$27,000 previously, out of the General Fund on a resolution.

Mr. Hamilton: Yes Sir.

Mayor Rasmussen: Now, we are appropriating out of the General Fund on an ordinance. What is the difference in the procedure.

Mr. Hamilton: Well here, you don't have a \$110,000 excess revenues, over and above estimated expenditures.

Mayor Rasmussen: But, it is coming out of the same General Fund.

Mr. Gaisford: It could have been appropriated by resolution, but we pooled it all into one phase. This is the explanation of the examiners.

Mayor Rasmussen: Aren't there certain requirements in our Charter that, on expenditures of money; now \$27,000 out of the General Fund is the same as \$110,000 out of the General Fund; all comes out of the one pot. If it is excess revenues; this is purely a question that I can't answer, myself.

Mr. Hamilton: Here is what Mr. Gaisford says. That there is \$137,000 in excess revenues over and above anticipated revenues; perhaps this could have been done; that's the first I have heard of that. I was under the impression that this was not excess of revenues, over anticipated revenues in the budget. I thought this resulted from savings that were made.

Mayor Rasmussen: This raises a question in the Mayor's mind. Do we know that there is \$110,000; there will now be \$137,000. Do we know that there is that much excess revenue going to accrue to the General Fund in the year, 1969.

Mr. Gaisford: Mr. Mayor and members of the City Council, I refer you back through your 1968 report for the month of November, and at that time the estimated surplus was stated at \$200,000. So that, in itself, would say to me as one, that there is the \$100,000 plus the \$27,000. It does happen that we did get the figures together this morning. And we know exactly what the anticipated surplus, or monies available for appropriations, over and above the amount that were estimated in 1968, and the amount is right close. I do not have the figure right down to the penny, but it is around \$348,000 over and above the amount appropriated in the 1969 budget. This all, by the way, is taking care of such things as the \$110,000 for the Transit System, your \$27,000 in your General Fund.

Mayor Rasmussen: I'm not going to belabor the point. We build all of the surplus into the '69 budget. We were informed at the budget hearing so this would indicate there is no surplus available except that we may possibly ear in the last half of the year, by an increase in business. So, I sort of interrupted, but I had those questions on my mind.

I still have that question, I wish you would determine it. Why do we appropriate out of the General Fund at one time \$27,000 by resolution, and at another time we appropriate by ordinance.

Mrs. Coonan: Mr. Mayor and members of the Council, the taxpayers of this City who earn the money to pay the taxes to run this City have got to be considered. This has just got to stop, it seems to me. Therefore, I plead in this one instance; there has been many instances in this City Council where the law had just been overlooked, and it has just gone too far. Here, there is an instance to begin with to see that it is; and ask for an Attorney General's opinion, and these things just continue to go on.

Mayor Rasmussen: Well, I think you are right. The Council has a grave responsibility.

Mrs. Coonan: The budget hearing; the taxpayer in this City has the right to know what the budget is. As they have a right by law; it is specified very clearly in here, and I should think that Mr. Rowlands, the City Manager, could at least, read the law governing cities. And then the City Council on budgeting and expenditures would know it. It is not hard to read. And, I think it has been violated on all these resolutions. You are appropriating money for funds that were spent without prior approval. You're supposed to advertise a public hearing on emergency ordinances. Has this been advertised, Mr. Rowlands. Did the public know it was coming up. I have no right to ask him, I'm sorry.

Mayor Rasmussen: Mr. Rowlands, Mrs. Coonan is asking if this was properly handled as an emergency appropriation under the law.

Mr. Rowlands: This has been handled under the rules and regulations relating to the laws. It has been handled properly and placed on the agenda.

Mayor Rasmussen: Under the law.

Mr. Rowlands: I would say again, ask Mr. Hamilton.

Mayor Rasmussen: OK, I'll ask Mr. Hamilton. Mr. Hamilton was this properly handled under the law. As decided by you.

Mr. Hamilton: As an emergency expenditure.

Mayor Rasmussen: No. As a proper expenditure under the budget law, without prior authorization.

Mr. Hamilton: The expenditure already made is not proper.

Mayor Rasmussen: That is the answer we want.

Mrs. Coonan: Was it published in an official bulletin or an official gazette. I am sure you might have considered we are big enough for something. This is an emergency ordinance, has it been published. This is my point. Has the City of Tacoma been notified that there is going to be this ordinance.

Mayor Rasmussen: Is this part of the law, Mr. Hamilton? Would you sign that Chapter number, Mrs. Coonan.

Mr. Hamilton: 35.33.090--the last paragraph of which provides. " Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof. Any city which publishes a weekly bulletin or official gazette shall publish a copy of the proposed ordinance therein together with a notice of the time set thereon before the day set for the vote."

Mayor Rasmussen: I don't know if you would call the Tribune a gazette. A lot of people call it different words. Do we publish a weekly gazette.

Mr. Hamilton: No we do not Mr. Mayor. I think Spokane is the only City in the State that has a weekly gazette.

Mayor Rasmussen: They put it out to keep the people informed.

Mrs. Coonan: Well, I know this, there is a State law so-called, you can change before the Planning Commission meets and it must be published in advance.

Every time you turn around in this town, the law is being broken. Just the last resolution they broke it on paying for urban renewal. I'm no attorney, and I would think that with one attorney up there--there is seventeen cities this happens in, it seems to me.

Mayor Rasmussen: I think all of the points you have made are very appropriate, and it certainly requires the attention of the people in the City. It also points out to the Council, itself, has been lax. We can't argue one point,

Mr. Cvitanich: I would merely like to say that tonight, in the eight and one-half years I have been up here, I finally heard reason enough for an audit again.

Mrs. Banfield: I agree.

Mr. Cvitanich: And rest assured I am going to request another resolution.

Mayor Rasmussen: You wish to speak to this issue, Sir.

Robert Turver: Yes, Mr. Mayor.

Mayor Rasmussen: Give your name and address, please.

Robert Turver: My name is Robert Turver, 635 So. Trafon. I would like to make this one comment.

I was one of the people that opposed this tax, that was levied on our utilities. And tonight, after hearing this testimony, and there again Mr. Rasmussen, when you made the statement about the budget, for instance, this impressed me a great deal because I'm concerned about this, I feel this is something that should be put on more of a paid basis.

I think that the Transit has the ability to come up with something that would make it go, and I think that you people have a responsibility of seeing they put it on more of a paid basis. And I would like to have, Mr. Mayor, if I may, I would like to have an explanation of what you meant, or an elaboration of what you meant, when you were speaking about the budget director in particular, because I feel this has an important bearing on this thing.

I pick up a newspaper and I read many times about these things that happen in Council. I haven't been able to get up here because of my employment, I work swing, and there is a great many of these things I see going on that I'm distressed about.

I feel a lot, like some points that were brought out here tonight. There appears overlaps in the various governmental agencies. I feel that we're entitled to something better. I think we should have economy in government as well as we do in private industry. So, I would like to have some of these questions answered. Because I feel that it is important, before you close out the discussion. Thank you.

Mayor Rasmussen: Mr. Turver, the responsibility can only lay in one place and it's very clear where that place is, and I don't think I have to sight the position.

I did want to say that Mr. Gaisford has been a faithful employee, working under the direction, of only one person, and I'm not going to name that person.

Mr. Turver: If I may, Mr. Mayor, I think you should elaborate more on this, because I think as taxpayers, I'm sure that everybody here is as concerned as I am.

Mayor Rasmussen: Just a moment Mr. Turver, I'll get to you promptly.

Mr. Rowlands: While the Mayor is getting something, let me state to Mr. Turver and some of the other people here. You talk about paying taxes and what is going on. Take a look at your property tax rate. I am very pleased to report that the property tax rate for the City of Tacoma has been reduced in 1969 over 1968. So we are moving in the right direction I would say, even though it has been reduced a small amount. It is being reduced, I understand.

Mayor Rasmussen: Under the date of Aug. 30th, Mr. Turver, I asked from the City Attorney an opinion. My opinion at that time was directed to the fact that I had asked the Police Chief to accompany me and make a broadcast for three and a half hours and answer the questions of the people. He had received a letter from the

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City Manager giving him a direct order, not to accompany the Mayor and speak on the radio station. I became greatly concerned because the Council had passed, shortly before that, a resolution directing the Mayor, in the case of an emergency, riot or whatever may occur and the Mayor is the only one that has the power to call in help from the Governor's office and the National Guard. But, the Council had passed an ordinance giving this power to the Mayor, and I thought, what if the riot would happen and I would give an order to the Chief and the City Manager would countermand it. So I asked for an opinion from our own City Attorney, Mr. Marshall McCormick.

He stated, "You have asked our opinion, as I understand it, the question, as we paraphrase it, is as follows: What is the scope and power of the City Manager's authority to direct and control activities of the Police Dept. in the enforcement of city ordinances and his scope and power in connection with the control of public appearances by police officials in respect to television, radio, public gatherings, etc.?" This was my question and under 3.2 he is quoting Charter provisions., "The Manager shall be responsible to the Council for the administration of all units of the city government under his jurisdiction. Except for the purpose of inquiry, the Council and its members shall deal with administrative officers and employees under jurisdiction of the Manager solely through the Manager. Neither the Council nor any member thereof shall give order to the Manager's subordinate or otherwise interfere with managerial functions through such means as directing or requesting the appointment or removal of any of the Manager's subordinates."

Under Section 3.3¹" The Manager shall supervise and be responsible for the effective management of the administrative affairs of the city. He shall give general direction to the programs and activities of all city departments and offices placed under his jurisdiction by this charter or by ordinance of the Council, and shall be responsible for the proper execution of the policies set by the Council and the enforcement of all laws and ordinances."

I'm skipping, but I'm going over to point "1.06.030--Responsibilities of Department and Office Heads. The City Manager may set aside any action taken by any administrative official under his direction and control and may supersede him in the functions of this office."

I won't read further. I'll give you a copy of this Mr. Turver. It is very clear and explicit where the responsibility lays. There is no department head or director in this city that can be blamed for anything they have done under orders. Does that satisfy--

Mr. Turver: Then, this is by order of the City Charter, that this is in effect, this way.

Mayor Rasmussen: This is correct. City Charter and ordinances.

Mr. Turver: Then you people sitting here have the power to change the ordinance, isn't that right.

Mayor Rasmussen: We have the power to change the ordinance, but the people are the only ones that have the power to change the charter, and it badly needs changing.

Mr. Turver: Then, Mr. Mayor, you wouldn't happen to have any further elaboration that you would like to make, would you.

Mayor Rasmussen: I am as concerned as you are, I am sure every citizen--

Mr. Turver: This is no laughing matter.

Mayor Rasmussen: No.

Mr. Turver: That's probably one of the reasons we are in the mess we are in.

Mayor Rasmussen: There is no question in my mind that the Council themselves are responsible for whatever has occurred here in the operation of our City.

Mr. Turver: Thank you.

Mr. Bott: You said you had asked an opinion as to what responsibility the Manager would have in case of an emergency martial law, etc., what was the answer. Wouldn't you have full power at that time.

Mayor Rasmussen: I'll re-read this for you Mr. Bott and it seriously concerns the Mayor.

Mr. Bott: As to an emergency.

Mayor Rasmussen: "The City Manager may set aside any action taken by an administrative official under his direction and control and may supersede him in the functions of his office."

Under a riot procedure I'd give the head of our Police Dept. orders, they could be countermanded by the City Manager, and he could be removed from office, and I would be giving orders to the City Manager, and I'm not permitted under the charter to give orders to the City Manager.

Mr. Bott: If you are the military head of the City, you can give orders to anyone in the City, I believe. Mr. Hamilton, is that correct or incorrect, under martial law.

Mayor Rasmussen: We are not talking about martial law. Mr. Bott we haven't got under martial law, yet.

Mr. Bott: You are speaking about an emergency.

Mr. Hamilton: I'll have to take another look at that ordinance. It has been over six months since that was adopted. I can't remember the full contents.

Mr. Bott: I still feel the Mayor is the final authority in the state of an emergency and things of that nature. Maybe I'm wrong, would like to---

Mr. Hamilton: It is my recollection that the Council vested him with that authority under the ordinance, but I would want to check it before stating definitely.

Mayor Rasmussen: I want to point out to Mr. Bott, he evidently hasn't read his charter.

Mr. Bott: I'm not talking about the charter.

Mayor Rasmussen: The Charter, Mr. Bott, overrides any ordinance.

Mr. Bott: What about the State Law. Doesn't the State law have something to say in the event of a State emergency.

Mayor Rasmussen: Under a Charter as the City of Tacoma is, it controls, unless there is a State Law.

Mr. Bott: The State law supersedes it.

Mayor Rasmussen: Unless there is a State law directly, supercedes it, and so states.

Mr. Bott: Will you direct the City Attorney then to get us an opinion on that, please.

Mayor Rasmussen: You have all ready requested it.

Mr. Finnigan: Will you please proceed with the agenda.

Mayor Rasmussen: Mr. Turver's question was why has it occurred and I was finding out where the responsibility lay under--

Mayor Rasmussen: We have--I would like to move that Ordinance No. 18744 be postponed for two weeks. Seconded by Mrs. Banfield. Roll call: Ayes 5: Banfield, Cvitanich, Herrmann, Zatkovich and Mayor Rasmussen. Nays 4: Bott, Finnigan, Johnson and Murtland. Absent 0. Motion carried.

Mayor Rasmussen: The ordinance was postponed for two weeks.

Ordinance No. 18745

Amending Sec. 2.04.040 of the official code relative to the Electrical Code which would provide an automatic adoption of the National Electrical Code by the City of Tacoma concurrent with the effective date of the adoption by the State of Washington.

The ordinance was placed in order of final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 18734 (postponed from the meeting of Jan. 28, 1969)

Amending Chapter 13.06 of the official code by adding a new section 13.06.130-46 to include property at the southwest corner of Ea. 72nd and Portland Ave. in a "C-2" District. (petition by K-Mart)

Mr. Buehler, Director of Planning explained that the entire tract as shown on the map was owned by Earl B. McCarthy and a lease was made for the K-Mart operation. In the fall of last year the portion which contained the K-Mart was transferred to a group in New York. The only portion Mr. McCarthy retained was a 168 ft. frontage on So. 72nd St.

Mayor Rasmussen stated that the question is now, what is the City's responsibility. The Council members felt that the property that had been separated by the sale to the New York people was a separate piece of property and the zoning is in question.

Mr. Buehler explained this was a General classification under the county, "G" zone. However, a "C-2" zoning reclassification had been recommended by the Planning Commission for this portion and the hearing was held two weeks ago before the City Council.

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

Ayes 7: Bott, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 1: Cvitanich. Absent 1: Banfield (temporarily).

The Ordinance was declared passed by the Chairman.

Ordinance No. 18735

Amending Chapter 13.06 of the official code to add a new section 13.06.180-2 to include property Northeastly of Marine View Dr. in the vicinity of Hylebos Waterway in an "M-3" District. (petition of Port of Tacoma)

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

Ayes 8: Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0; Absent 1, Banfield (temporarily).

The Ordinance was declared passed by the Chairman.

Ordinance No. 18736

Appropriating the sum of \$24,648.57 or so much thereof as may be necessary from the General Fund to the Police Relief & Pension Fund effect as of Dec. 31, 1968.

Verbatim requested by Mayor Rasmussen.

Mayor Rasmussen: Any discussion on Ordinance No. 18736.

Mr. Zatkovich: Mr. Mayor.

Mayor Rasmussen: Mr. Zatkovich.

Mr. Zatkovich: I think we have discussed this at great length and I know this will probably be one of the subjects that will probably be, perhaps, straightened out in the next budget. As I said, we have discussed this at great length, and again there is a little violation there too, but we will come to a better understanding from there on.

Mayor Rasmussen: Do you have a question, Mr. Finnigan.

Mr. Finnigan: I was just wondering if you were going to go another hour and a half on this particular ordinance, it is the same situation.

Mayor Rasmussen: I might say, you asked the question Mr. Finnigan; Yes, I think that we have had quite a thorough explanation from our City Attorney and from Mr. Gaisford and they have indicated that we are acting in violation of the law, yes.

Mayor Rasmussen: Mr. Hamilton.

Mr. Hamilton: Mr. Mayor I don't think I indicated that the Council in authorizing the appropriation was acting in violation of the law. I did not mean to convey that impression, in any event.

Mayor Rasmussen: No.

Mr. Hamilton: No, that's right.

Mayor Rasmussen: You assured us that we weren't violating our oath of office by voting.

Mr. Hamilton: That's right.

Mayor Rasmussen: But the law was violated by the departments in the manner in which it has been held, the budget law.

Mr. Hamilton: That's right.

Mayor Rasmussen: This is correct.

I would also like the discussion on the budget verbatim in the minutes.

Mr. Bott: I moved the previous question.

Mayor Rasmussen: The question is called for on Ordinance No. 18736. Roll call.

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

Ayes 7: Bott, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 1: Banfield. Absent 1: Cvitanich, (temporarily).

The Ordinance was declared passed by the Chairman.

Ordinance No. 18737

Appropriating the sum of \$13,708.00 or so much thereof as may be necessary from the General Fund for the purpose of paying expenses incurred and to be incurred by the Tacoma-Pierce County Humane Society.

Verbatim requested by Mayor Rasmussen.

Mayor Rasmussen: Is there any discussion on Ordinance No. 18737. This is Mr. Fidler's dog pound, an ordinance appropriating the sum of \$13,000. And this is being handled in the proper manner, Mr. Hamilton, according to State Law.

Mr. Hamilton: Yes, Mr. Mayor, this is an appropriation involving the 1969 budget.

Mayor Rasmussen: Thank you.

Mrs. Banfield: Is this the complete amount for the Humane Society, as I noticed it isn't in the new budget at all.

Mr. Murtland: If it was in the new budget, we wouldn't be voting on it.

Mayor Rasmussen: This is an additional amount requested by reason of additional wages negotiated by the Teamsters with the organization and also running in an additional cost for operation of the gas furnace. Is that correct, Mr. Fidler.

Mr. Fidler: This is correct.

Mayor Rasmussen: Do you wish to give a further explanation.

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Mr. Fidler: Mr. Mayor and members of the Council, all this information has been furnished as far as the crematorium and the extra costs.

Mayor Rasmussen: Has the Pollution Control engineer been out to your plant.

Mr. Fidler: Not yet.

Mayor Rasmussen: Give him a call at the local office here as they know they are supposed to be out there and meet with you.

Mrs. Banfield: Mr. Mayor, I just want to know where it is in the budget.

Mr. Fidler: Page 395.

Mayor Rasmussen: Mr. Cvitanich.

Mr. Cvitanich: Mr. Fidler, thank you for the information you forwarded, but I want to ask you a couple of questions.

It concerns me, that the Council tries to pay equal wages for like work. Granted, there are mixed emotions on the Council in terms of the role of the dog catcher, as it were, in the community; but they do fill a necessary gap. But this proposed salary increase would be in the range of \$570 to \$630, four steps.

Mr. Fidler: The existing wage is \$500 up to \$660, and the Union has agreed to go for \$570 to \$630 in four steps.

Mr. Cvitanich: Then, in Seattle they are going to \$692.26 as of April 1st.

Mr. Fidler: This is correct. They go from the low of \$622.30 to \$692.26 in one year.

Mr. Cvitanich: I draw this to the Council's attention, that every employee group that came before us, as long as they could fill the justification, the Council found the where with all to come up with additional funds, but I would ask your indulgence in trying to help these people a little more than what you are giving them. After all, it costs them to live, this is no cliché, as well as it does Mr. Rowlands.

Even though we have mixed emotions of the Humane Society's role, I would ask that we give this serious consideration to find out if we could give a little bit more. Maybe removing one pay step there, so he could move through the ranges more quickly, instead of four years to get up to the top, maybe in three.

Mayor Rasmussen: Mr. Zatkovich.

Mr. Zatkovich: I don't know whether Mr. Cvitanich is looking at me when he says, mixed emotions, but I may not agree with certain phases of it, but I'm certainly with the employees and I believe too that they should be adequately paid, and I go along with it. I don't see anything wrong with it.

Mr. Bott: I understand that this has all been legally and regularly negotiated between the Union's business agent and any time we set up here and try to work in place of him, I think we are getting just a little bit out of our line, and our obligations. And I think, I'd like to see everybody get all they can and I think these fellows are appreciating that; but this has been rightfully negotiated. The County is in on this as well, are they not.

Mr. Fidler: Correct.

Mr. Bott: So, I think we should accept the recommendations. Maybe next year, they have to have something next year, where are you going to end it up. Otherwise, why have later negotiations if we are going to renegotiate here.

Mr. Cvitanich: Of course, this all sounds very good in theory. But, then all I'll do is to draw the speaker's attention as to what Mr. Erdahl, Director of Utilities, proposed on a pink sheet, Mr. Rowlands proposed on a white sheet. We re-hashed the whole budget; what is good for one, is good for the other, Mr. Bott. Let's not establish double standards here. Negotiate in good faith, perhaps. But almost every labor group that came up here went in the back room also. Let's not just exclude one group. Everybody that presented justification got the increase, irregardless of what they asked for. And, back again, acting as a bargaining agent, Mr. Rowlands acted as a bargaining agent on the pink slip or the white slip, Mr. Erdahl did also. We all got tired of hearing it, remember. We are not bargaining for them but the theme of the whole budget negotiations was, equal pay for like work.

Mayor Rasmussen: Thank you, Mr. Fidler.

Further discussion on Ordinance No. 18737.

Mayor Rasmussen: Did you have your hand up. I might say this ordinance is on second reading and it is impossible for you to speak unless--I did let Mr. Fidler speak because he is sort of classed as a department head.

Mayor Rasmussen moved to suspend the rules to let Mr. Hatfield speak. Seconded by Mrs. Banfield. Voice vote taken. Motion carried. Ayes have it. Rules Suspended. Come forward to the microphone, please.

Mr. Hatfield: Louis B. Hatfield, Secretary Treasurer of Teamsters Local No. 461, representing the employees of the Humane Society. We entered into negotiations with the Humane Society and it lingered on because the Humane Society could not figure out whether to give us a wage increase, and then come to the City or go to the City and then come back and offer us a wage increase. We could not resolve this matter, so we had a meeting with the City Manager and his assistant. At that time our request was for a \$100 raise plus a pension plan for these people.

We agreed that if they would pick a raise of comparable duties to our drivers that we would accept it. I received a phone call from Archie Fidler, saying that they had picked out the classification of laborer which would be a \$70 increase for our people and asked whether we would accept it. I told Mr. Fidler I thought we would, but I would call the employees in and we voted to accept the \$70 increase. During the meeting the employees brought up the question, will we be forever tagged a common laborer, compared to that bracket. I said no, next year, there is another budget and I intend to come back and ask that we be more adequately compared. But I do feel that a \$70 increase is a fairly decent increase. You can't argue that point. And we work rather well from the Society and then putting out the material showing that the inequities that exist. We are making progress. But it is our intention though, to come back and try to do better next year. Thank you.

Mayor Rasmussen: Thank you, Mr. Hatfield.

Mayor Rasmussen: The question is on the adoption of Ordinance No--

Mr. Rowlands, has anything further been done in regard to this ordinance in arranging a fair split with the County on expenses of operations.

Mr. Rowlands: Mr. Mayor and Councilmen, I thought I reported on that last week.

Mayor Rasmussen: You were going to report on that before it came up for final reading.

Mr. Rowlands: I conferred further with the County. This particular \$13,708.00 is for the purpose of paying certain necessary expenses incurred by the Tacoma-Pierce County Humane Society, and the union is still negotiating with the County. That is entirely up to the County. The City will increase its services. That is the way it was left.

Mayor Rasmussen: Thank you.

Mayor Rasmussen: Mr. Gaisford, along with the emergency appropriation, this makes about, roughly \$40,000. Would you provide for the Council how much we have already appropriated over and above the 1969 budget, itemized.

Mr. Gaisford: Yes, Sir, I will.

Mayor Rasmussen: At the next Council meeting so we can keep a running account of how much we're chopping our unexpended surplus down pretty rapidly.

Mr. Gaisford: Yes Sir.

Mayor Rasmussen: I know that last year, we ran \$144,000 over the budget by emergency appropriation. It is quite important to keep track of it.

Mayor Rasmussen: Further discussion on the ordinance. Roll call.

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

Ayes 9: Banfield, Bott, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0; Absent 0.

The Ordinance was declared passed by the Chairman.

Mr. Bott left at this time.

Ordinance No. 18738

Providing for the improvement of L I D 4839 for paving on South Ferdinand from South 46th to South 66th St., and other nearby streets.

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

Ayes 7: Banfield, Cvitanich, Finnigan, Herrmann, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0; Absent 2, Johnson (temporarily) and Bott.

The Ordinance was declared passed by the Chairman.

Ordinance No. 18739

Providing for the improvement of L I D 4851 for paving on Bridge-view Drive from Narrows Drive to No. 27th St. and other nearby streets.

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

Ayes 7: Banfield, Cvitanich, Finnigan, Herrmann, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 2, Johnson (temporarily) and Bott.
The Ordinance was declared passed by the Chairman.

Ordinance No. 18740

Providing for the improvement of L I D 4876 for paving on East 61st from East "L" to East "M" St. and other nearby streets; and rescinding Ordinance Nos. 18341 and 18541.

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

Ayes 7: Banfield, Cvitanich, Finnigan, Herrmann, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 2, Johnson (temporarily) and Bott.
The Ordinance was declared passed by the Chairman.

Ordinance No. 18741

Providing for the improvement of L I D 4877 for paving on Ea. 65th from "I" to "L" Street and other nearby streets.

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

Ayes 8: Banfield, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 1, Bott.
The Ordinance was declared passed by the Chairman.

Ordinance No. 18742

Providing for the improvement of L I D 4879 for paving on So. 10th St. from Sprague Ave. to Ferry St.

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

Ayes 8: Banfield, Cvitanich, Finnigan, Herrmann, Johnson, Murtland, Zatkovich and Mayor Rasmussen.

Nays 0: Absent 1, Bott.
The Ordinance was declared passed by the Chairman.

UNFINISHED BUSINESS:

Mayor Rasmussen stated the Council has had a discussion on the Legislative Program and at that time it was the opinion of the Council that they did not wish to endorse a bill relative to a Grand Jury. He stated, that he felt that an automatic Grand Jury was very important. Mayor Rasmussen asked if this was a recommendation of the judicial counsel.

Mr. Hamilton, Acting City Attorney, stated he did not know but would check into the matter for the Council.

Mayor Rasmussen remarked, this would be discussed at the next Legislative Committee meeting.

Mayor Rasmussen explained he had spoken to the Council earlier about the tentative meeting on Feb. 13th with the Planning Commission, and since the majority of the Council members could not be present, he would try to set another meeting as close to the 13th as possible.

Mayor Rasmussen reported that St. Regis Pulp Mill has been cited by the Pollution Commission for violation and there will be a hearing on Feb. 19th in the County-Commissioner's Chambers.

Mayor Rasmussen also informed the Council that approval has been received from the State of Washington and from the Federal Government, for the purchase of the equipment for the mobile unit and it is hoped that it will be operating within the next two months.

Mayor Rasmussen said that a suggestion has been made from a business man on McKinley Hill that the Police institute a training program in the handling of firearms for store clerks, service station operators and any one in general. He felt this would be a program that should be implemented.

Mayor Rasmussen asked that Mr. Rowlands, City Manager, to bring a report to the Council on this matter.

Mayor Rasmussen asked if the City has set aside or purchased land for a site for a central shop operation and bus repair.

Mr. Rowlands, City Manager, explained that the land has not been purchased. However, this is all included in the Six-Year and the Ten-Year, Design for Progress plan, and the recommendations will be before the Council at a later date.

Mayor Rasmussen stated he was concerned that the land has not been purchased for future construction of a combined maintenance shop. This matter should be taken care of as soon as possible.

Mayor Rasmussen asked that Mr. Rowlands check into the matter of the R. L. Polk Co., gathering information which was not available in the City Directory. If such is the case, they are doing it under false pretenses.

Mr. Rowlands stated he would investigate the matter.

Mayor Rasmussen explained, he had checked the new route for the Union Ave. Viaduct entrance and had noted that numerous automated lights have been installed at Lawrence St. He said that Mr. Schuster, Public Works Director, had indicated that Warner St. would be the entrance, therefore, he felt this would make too many lights within a small area.

Mr. Rowlands explained that lights are placed in consideration of the volume of traffic.

Mayor Rasmussen felt the more lights that can be eliminated in a situation like this, the better it would be.

REPORTS BY CITY MANAGER:

MC-573 Fire Department Policy Concerning City Employees using City Vehicles.

Mr. Rowlands explained that the personnel who take city-owned vehicles home hold top administrative and operational staff positions. It is very important that these officers are available for emergencies.

He added, the Fire Dept, is divided into three categories, the employees who have instructions to take their city-owned vehicle home. There are (13) cars in these three categories and the policy for the Fire Dept. was developed with the intention of providing the most efficient and highest level of service to the citizens of Tacoma and not with the intention of providing a fringe benefit to certain employees. They report in where they are at all times. It is also felt those persons who come under this policy are highly dedicated and provide a service beyond requirements and their concern is for the welfare of the City.

James Reiser, Fire Chief, felt if there was any reduction in this policy, the service for the City would be reduced.

Mayor Rasmussen noted that last month there were numerous false alarms in the City.

Chief Reiser explained the false alarm count under the different categories in this monthly report, particularly ones from sprinkler systems, cold temperatures, etc. He also explained there are siren alarms on several boxes in the City to indicate persons pulling false alarms. They are keeping a close check on this matter, but people who do this do avoid the boxes with the sirens.

Mr. Rowlands said, that the first Legislative Bulletin has been sent to the Council. Many bills are now coming in and the department are checking them over carefully.

Mr. Rowlands announced that a hearing will be held in Olympia at 7:30 P. M, Wednesday, Feb. 12th relative to the amount of money to be allotted to the cities of the State.

Mr. Rowlands stated, earlier in the meeting it was mentioned that there was a lack of coordination between the Planning Dept. and the Urban Renewal Dept. He added, there has now been a discussion between the department on the area in question.

Mr. Wright, Director of Urban Renewal, explained that in that area which is on 13th St., is designated for residential, and is a product of the planning process. In the report of 1963, there was considerable amount of attention given to specialized planning. A plan was approved by the Planning Commission prior to the City Council's adoption. As far as coordination, the departments are now carrying out the plan approved by the Council, and there is good cooperation between the departments.

Mayor Rasmussen asked if the City had received the \$320,000 for the land that was sold on Pacific Ave.

Mr. Wright explained the approval by HUD was received today. In the agreement it was pointed out that the New Tacoma Parking Corp. would construct the garages at such time as the City conveys and clears all properties on both sites. Site (B) is clear but Site (A) still has to be cleared. He also said that the agreement spells out that the time for conveying of the title and receiving of the money depends upon the submission of the final plans for a building permit. It would be, at the earliest, another sixty days before title can be conveyed.

Mayor Rasmussen asked Mr. Wright to submit copies to the Council on what the cost estimates are of the buildings remaining in the Urban Renewal Project.

Mr. Wright stated he would submit a report for the Council, building by building.

Mr. Rowlands explained that the State Health Dept. representatives appeared before the Model Cities Executive Board in January to explain that department's plans relative to a five-year venereal control project.

Mr. Cvitanich stated that Mr. Wright had mentioned that in 1963 there was a great deal of planning involved in the downtown area. He asked if such a plan had been submitted to the Planning Commission for their perusal.

Mr. Wright explained that at this time, the Planning Commission is composed of an entirely different group of people. However, the residential use referred to last week, is a permitted use, and was submitted by the Planning Commission.

COMMENTS BY MEMBERS OF THE COUNCIL

Mrs. Banfield requested a copy of the agreement with Hesco Inc.

Mr. Wright stated this was a rehabilitation project in the Fawcett St. Urban Renewal Project, which was carried out on a loan program. He stated, this was approved by the Council, however, he would submit her a copy.

Mayor Rasmussen requested that the Council appropriate funds for remodeling part of his office suite.

Mayor Rasmussen stated, since there was no objection, estimates for the work would be submitted to the Council.

ITEMS FILED IN THE OFFICE OF THE CITY CLERK:

- a. Urban Renewal Reports for Nov. and Dec., 1968.
 - b. The Regional Statesman-Puget Sound Governmental Conference for Jan. 1969.
 - c. Report from the Tacoma Employees Retirement System for Jan, 1969.
 - d. Minutes of the Tacoma Fire Dept. for the month of Dec. 1968.
 - e. Minutes of the Housing & Social Welfare Subcommittee of Jan., 1969.
 - f. Minutes of the City Planning Commission for Jan. 1969.
 - g. Minutes of the Tacoma City Council Study Session for Jan. 27, 1969.
- Placed on file.

Mr. Johnson moved that the meeting be adjourned. Seconded by Mr. Bott. Voice vote taken. Motion carried. The meeting adjourned at 10:35 P. M.