

CITY COUNCIL MINUTES

City Council Chambers
Tuesday, January 5th, 1971.

The meeting was called to order by Mayor Gordon Johnston at 7:00 P. M.

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

The Flag Salute was led by Deputy Mayor Finnigan.

* * * * *

Mayor Johnston asked if there were any corrections or omissions to the minutes of December 15th as submitted.

Mr. Schroeder moved to approve the minutes as submitted. Seconded by Mr. Moss. Voice vote was taken and carried unanimously.

* * * * *

Mayor Johnston moved to suspend the rules in order to accept the report on the audit of the City's records recently made by the firms of Peat, Marwick & Mitchell and Knight, Vale & Gregory. Motion seconded by Mr. Jarstad. Voice vote was taken and motion carried.

Mr. Peter Vale of Knight, Vale & Gregory explained that in July, 1970, his firm had been retained by the City Council, together with the national firm of Peat, Marwick & Mitchell, to conduct an audit of the books and records and to prepare a Management Report. He stated the persons active in preparing the audit were present tonight. Mr. Vince Demarest of Peat, Marwick & Mitchell, had been project director, assisted by Mr. William Brown of Knight, Vale & Gregory. Mr. Lou Ford and Mr. William Brown were also introduced.

Mr. Demarest stated there were two reports submitted: a Financial Report on the books and records and a Management Report which discusses the observations and recommendations relative to management and other facets of the City operations. He added the two reports are very distinct, but there are some complex items involved which they would like to explain.

Mr. Lou Ford advised that the financial statements which were used were taken from the various department records and not financial statements made up by Peat, Marwick & Mitchell.

He explained there are several kinds of opinions given in the reports. A "clean opinion" is given where the financial information of the City is in conformity with generally-accepted accounting principles and no exceptions taken. Another type of opinion is the "no opinion" report, which terminology arises from the fact that the City did not have cost records on the fixed assets to make it possible to accurately verify the costs. There were seven funds involved in this category: garbage and refuse, sewer, airport, transit, equipment rentals, baseball revolving fund and the general fixed-asset grouping. He said they would have been required to include an actuarial evaluation statement of the amounts required to fund certain of the retirement systems, but those figures were not available.

In regard to the Employees' Retirement Fund, the Police Pension Fund and the Firemen's Relief and Pension Fund, they expressed "no opinion" on those accounts and also on the Municipal Court Trust Fund revenues and expenditures.

Mr. Ford further explained the third type of opinion is one which appears in connection with the General Fund, Special Assessment Funds and Arterial Street Fund, on which they have submitted an "adverse opinion." He commented that the Finance Director is governed by certain rules and regulations which are spelled out by the State Auditor and must conform to those regulations. He stated that in their opinion, certain of these regulations were not in conformity with generally accepted accounting principles, although these are in rather insignificant amounts. In this case they had no choice as independent C.P.A.'s but to give the "adverse opinion."

Mr. Ford further commented that a number of the financial statements included in this report are not in agreement with financial statements previously published by the City. However, the City officials who are responsible in those particular instances have agreed to changes in the reports and thus the changes were made and the firm was able to give "clean opinions" on them. In connection with these three funds, the City officials felt constrained to not change the financial statements. In one case the audit firm was of the opinion that the General Fund balance was overstated by \$1,217,000. There was one transaction in the Arterial Street Fund, an advance of \$150,000, which did not occur within the statutory period and special assessment funds records are maintained on a cash basis, which is not a generally accepted method of accounting. He then called on Mr. Brown to explain the Management Report.

Mr. William Brown of Knight, Vale & Gregory, said he would like to briefly discuss the more important points in the development of the Management Report, the significance of the findings and recommendations, and briefly the contents of the report itself. With respect to the background, preparation of the report is the function of an audit. This report is a more comprehensive report than is ordinarily prepared in most other instances. The material as well as the findings had been gathered through interviews with managing department directors and by examining the department records. The report deals with management controls by the City and with functions of the departments as related to utilization of assets and personnel of the various departments.

He added the findings were not a result of an in-depth professional study, but rather a general review and accordingly many of the recommendations call for further study of the areas observed, before the implementation stage is reached. However, it was not within the scope of the firm's work assignment to go into sufficient depth in the audit to make recommendation on specific moves. However, they do feel that the areas they have observed and made recommendations on are important areas and that the City would accrue benefits by further study and adoption. The report includes an introductory letter of transmittal and a summary of the principle findings and recommendations which are keyed to the pages of the report. In the general section the more important areas are expanded to a greater extent. There is also a section in which the audit firm feels there is a potential for benefit to citizens of the community through possible joint operation with other governmental agencies, specifically in the County or the Dept. of Public Utilities.

One section deals with specific reviews of questions raised in the past and which the audit firm was specifically asked to investigate. The balance of the report is presented by department, with recommendations for each. Within those sections, it can be found that some findings and recommendations relate to other departments within the City and those which do not relate to another department are left separately.

Mr. Demarest commented that the report is quite comprehensive, but their firm does not grade the recommendations according to what it feels are higher priorities. He added he would like to comment on those considered more important to the City in the near future. He stressed the fact that many of the recommendations call for additional study. One of the primary important subjects the City should address itself to was the subject of "Organization." The report shows some of the criteria used to evaluate any organization, but whether these are valid for the given instances will have to be determined by further analysis.

Mr. Demarest said that another area of concern is financial accounting and E. D. P. Systems. They feel the current operation of the City should be greatly expanded and evaluated in context with what will happen in the future with regard to methods of upgrading the organization. Some specific areas should be considered because of duplication and elimination connected therewith, include centralization of accounting. Historically the City has centralized, but some decentralization has built up. It is particularly important to determine where the City is going to progress with its computer facilities. This is an extremely costly area and the audit firm did not feel the City should become involved with "intra-competition" among its own departments. The audit firm strongly recommends a centralized computer facility. They have recommended three possible approaches concerning computer facilities. The one they believe to be the most beneficial would be a joint facility with the County and the City, or as an alternative, a joint facility between the Utilities Dept. and other City departments. The third approach would be to upgrade the present facility. The audit firm feels the City should go into cost accounting to develop into more comprehensive and analytical techniques, inasmuch as the Management Reporting System is one which goes beyond mere financial and historical data.

The Health Department operation is another area which the audit firm feels is important to improve, particularly the funding of this department. They recommend that a computer pooling arrangement be coordinated.

Expansion of the executive department of the City is also one of the firm's strong recommendations; viz, the City Manager's office. Mr. Demarest said that his firm has candidly stated in the report that there would be additional costs involved according to the staff capabilities required and recommended positions to be added to include program planners and management systems personnel. He added in order to gain maximum benefits in the systems area, in cost accounting and program planning, the City will need to have these capabilities. These will lead the City to a Planning, Programming, Budgeting System, but this should not be fully pursued until the other computer systems work is revised. Most cities the size of Tacoma are entering into this type of system. One of the most persistent complaints which were found by the audit firm is personnel practices. They feel this complete area should be reviewed, studied and improved in order to meet the current needs of the City. Mr. Demarest stated there are many other recommendations, but outlined the more important ones, as it would be difficult to grasp the entire content of the report.

Mr. Ford concluded the presentation by pointing out that a tremendous amount of work was put into the report, even though the report itself was only moderately voluminous. He added the combination of the two firms who made the audit was a unique one inasmuch as Peat, Marwick & Mitchell is the largest international public accounting firm, and consequently, there would be no question as to the objectivity and independence in the firm's approach to the work involved. The intimate knowledge by Knight, Vale & Gregory

furnished a good insight to the situation, along with the fine cooperation of the officials and department heads of the City government.

Mayor Johnston explained that the Council members would study the report and perhaps have questions at a later date.

Mr. Jarstad asked for a clarification of the firm's statement that the General Fund was overstated by \$1 million plus. He asked if that meant the money had been "juggled around," and therefore was an accounting method, or if there was actually that much money missing somehow.

Mr. Ford explained it is simply an application of a "not-generally-accepted accounting principle", which has the effect of overstating the General Fund balance by approximately \$1,200,000. He said this amount is represented entirely by loans from the L.I.D. Guaranty Reserve Fund. He stated that in approximately 10 years, the General Fund would have overspent its revenue by the \$1,200,000; however, this could not be seen by looking at the financial statement.

Mayor Johnston asked Mr. Ford what he thought would be a reasonable price for a copy of the complete report. Mr. Ford said he could not give an estimate at the present time but would ascertain a figure for the Council.

* * * * *

Mayor Johnston said since the rules are suspended, he would like to bring up the Labor mediations, which were discussed under Citizens' Comments on December 22nd. Mayor Johnston explained the report has been received from the State mediator and the Council concurs in the recommendations made by the mediator. He said on behalf of the City Council, he asked the City Manager and his staff to implement the recommendations and bring in an ordinance or an amendment to the existing ordinance in order to reflect these recommendations to be effective as of January 1st, 1971.

* * * * *

HEARINGS & APPEALS:

This is the date set for hearing on the Zoning Ordinance Text Amendments relative to House Trailers and Mobile Homes to be used as caretaker-watchman quarters and temporary offices in an "M-2" & "M-3" Industrial Districts. (Petition of the City Planning Commission)

Mr. Russ Buehler, City Planning Director, explained this text change was requested by the Planning Commission as trailers and mobile homes have become increasingly utilized by caretakers in the industrial areas of Tacoma. The trailers that are in the industrial area are legally hooked up to the utilities at present; however, this use is not included in the present ordinance. The City Planning Commission felt this should be included in the ordinance to protect industrial operations. The Port of Tacoma and other industries are using mobile homes to house various Customs Inspectors, etc. as temporary offices. This would be limited to this type of usage, for a specific industry and would have to be approved. He added as their businesses expand, these trailers and mobile homes are often moved from place to place. A study has been made by the Planning Commission and it has been determined that both Portland and Spokane do allow this practice.

He further reported that the Port of Tacoma officials and many other persons have recommended this change in the ordinance so that this usage could be allowed. No protests were registered.

Mr. Corsi moved to concur in the recommendation of the Planning Commission to approve the ordinance text change. Seconded by Mrs. Egan. Voice vote was taken and motion carried.

RESOLUTIONS:

Resolution No. 20994 (Postponed from the meeting of December 29th)

Accepting and approving the final plat of Narrows Neck located west of View Ridge Dr. to approximately 750'.

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

Mr. Buehler explained the continuance of this resolution has been requested in order that the engineering division could recheck the right of way, as there has been a slight change in the legal description in the area where the railroad line runs through the property.

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

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

Nays 1: Corsi.

The Resolution was declared passed by the Chairman.

Resolution No. 21000

Retaining Preston, Thorgrimson, etal, bond counsels for certain services in connection with the \$1,500,000.00 sewer revenue bonds.

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

Mr. Robert Hamilton, Acting City Attorney, explained that this bond issue is in connection with certain sewer improvements to be made by the City upon the recommendation of the Public Works Dept. and it would be necessary to retain a bond counsel to render a validating opinion so that the bonds can be marketed on the New York market. The purpose of this resolution is to retain the Seattle firm of Preston, Thorgrimson, Starin, Ellis & Holman, who are nationally recognized.

Mr. Maule asked if there were a local firm that could perform this service.

Mr. Marshall McCormick, Acting City Manager, replied he knew of no firm in Tacoma that has the reputation and is as well recognized on bond issues. The firm being presently assigned had also been employed for work on a former sewer bond issue and that the only other firm qualified and nationally recognized was another Seattle firm. No bonds would be saleable unless there is a validating opinion by a recognized bond counsel, he added.

Mr. Corsi commented that he hoped that Tacoma would have such a firm in the near future.

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

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

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21001

Authorizing the leasing of certain buses to Tacoma Suburban Lines, Inc. for ski school purposes.

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

Mr. C. R. Walsh, Transit Supt., reviewed the information relative to the City's supplying buses for the Tacoma Ski School and commented this service is of no cost to the City inasmuch as the school furnishes all gasoline, oil, insurance and other costs.

Mr. Schroeder asked if the buses were cleaned out before their return to the City bus barns.

Mr. Walsh explained they are fairly clean when returned and only need washing, which is done by the City crew. Litter bags are provided which keep the buses clean.

Mrs. Egan commented that \$30,000 insurance did not sound like an ample amount. She thought each bus would be worth more than that.

Mr. Walsh explained that each individual bus is not worth more than that amount.

Mr. McCormick added that the buses are driven by a City driver and that the school pays for the drivers, who are employees who work on this project only on their days off from City employment and therefore are trained drivers.

Mr. Jarstad commented when this was brought up last year it was said this was the most profitable thing for the City. He pointed out that in Seattle they have to obtain buses as far away as Aberdeen for similar use; whereas the Ski School program, which is held in conjunction with the Park Board, would not be operable unless these buses were made available. He felt this is a good combination.

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

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

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21002

Fixing Tuesday, February 2nd, 1971, at 7:00 P.M. as the date for hearing for the rezoning of the Southeast corner of So. 12th and Highland Streets from an "R-2" to an "R-3" District. (Petition of Mallos and Hoheim)

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

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

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

Nays 0.

The Resolution was declared passed by the Chairman.

Resolution No. 21003

Fixing Tuesday, February 2nd, 1971, at 7:00 P.M. as the date for hearing for rezoning of the Plat of Wapato Hills Addition near 57th and Ferry from an "R-2" to an "R-2-T" District. (Petition of Fred Roberson)

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

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

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

Nays 0.

The Resolution was declared passed by the Chairman.

FIRST READING OF ORDINANCES:

Ordinance No. 19282

Amending the Official Code relative to sewage disposal regulations and rates.

Mr. Robert Anderson, City Engineer, explained that Mr. John Bronow, Chief of the Public Works Utilities Services, and Mr. Richard Bannon, Professional Civil Engineer of the same department, were present to discuss the proposed sewer rates and to answer any questions.

Mr. Bronow explained the current problem had developed due to the fact that the sewer funds are now exhausted. Therefore the department has made thorough studies and the proposals were presented to the Council.

Mayor Johnston asked Mr. Bannon to present a detailed background on how the proposed conclusions had been reached.

Mr. Bannon explained they had tried to incorporate background information relative to annual billings for residential, apartment and commercial customers as well as investigating the quantity of sewage from each type of customer. In the proposal, a flat rate was set for residential and for apartment customers; whereas heretofore the billings were based on a percentage of the water use. They felt the prior method was inequitable because the use of only a few more cubic feet per month would put the customer into higher sewer rate where they would be paying \$1 to \$1.50 more. The commercial users are charged according to meter size and the charges are determined by the amount of effluent received by the sewer system. After considerable study, the staff came up with a flat rate for residential users of \$3.70 and for apartment owners \$2.70 per unit, as they felt apartment dwellers use less water than residential homes. The industrial and commercial rate would be based on the meter size and the cost per 100 cubic feet of effluent received into the sewer system.

Mayor Johnston asked if the resulting income proposed by the rate study was sufficient to take care of current needs or one to satisfy the projected needs for the future years.

Mr. Bronow replied they had projected the rate schedule for five years according to the requirement figures furnished by the financial consultants. He explained there had been no sewer rate increase for eleven years despite the costs having gone up 149% since 1959.

Mr. Bronow briefed the Council on what had transpired since 1964. He added the Public Works Dept. had recommended that a rate study be made and recommended a 15% increase at that time. In 1966, 1968 and again in 1970, increases had been requested by the Department, the latter request having been made by letter to Mr. McCormick, City Manager.

Mayor Johnston asked to whom the requests had been sent, before.

Mr. Bronow said the requests were sent to the Manager's office and that the Public Works Dept. is not aware of the routing from there on.

Mr. Jarstad remarked that at recent study sessions, the Council was informed that the currently proposed increase is the minimum rate that could be allowed to operate satisfactorily. Mr. Jarstad asked what would happen if the rates were not increased at this time relative to the bonding companies and the improvements demanded by the pollution agencies.

Mr. Bronow said the City is bound by its bond covenants and to maintain a certain coverage for the bonds now outstanding and the City would be in technical default if some action were not taken. He pointed out the City has 1,100 miles of sewer lines with three treatment plants and \$26 million in assets, but that improvements would be necessary on these plants in the near future, and such emergencies as the recent washout in the Carr Street sewer line, require unpredicted funds. The Department has set up the proposed rates in accordance with the consultants figures in order to meet present demands and provide for adequate reserves. There are Federal requirements concerning primary treatment plants.

Mrs. Egan said that one of the studies concerns the effluent coming from the County septic tanks into the City sewage system. She asked what effect does the County dumping have on the proposed rate increases.

Mr. Bronow stated the revenue to the City from the septic tank dumpers is very minimal, being about \$6,500 a year now, but the proposed adjustment would bring approximately \$50,000 per year minus the costs involved.

Mrs. Egan asked if the County service could be limited without disrupting the entire program.

Mr. Bronow replied this could be accomplished.

Mr. Maule said he could understand that a flat rate would be easier to administer, but did not feel a small family should pay the same rate as a large family. He thought the sewage rate should be coordinated with the water consumption.

Mr. Bronow advised by computing the sewer rates on the water consumption is a popular conception in sewer rate studies, but difficult however to administer because of the variations between summer and winter uses, because each homeowner would have a different quantity of sewage to be billed each year. He said the Department had researched this possibility in 1959, but there had been too many variables. The bonding companies do not sanction this method because there is no guaranteed income and it fluctuated too much.

Mr. Schroeder asked what the additional administrative costs would be. He felt it would be a burdensome method to try to break the accounts down according to water consumption.

Mr. Bronow said they have the same computer programming as in 1959, and that extra employees would be needed if a new system were put into effect.

Mr. Moss commented that since meters are at each house, the water is easily measured, but commented there was some argument in favor of flat rates and said he is concerned about how this would affect the City's bonding. He asked Mr. Archie McLean of the Tacoma Bonding Company for his comments.

Mr. McLean stated he understood Mr. Bronow's viewpoint that if there is a flat rate, there would be a fixed amount of income which could be forecast, but if there is a number of variables the flow of water would likewise vary. The matter of securing a fixed debt had been discussed relative to being assured of having a fixed income from the use of water, at least from the residential users. A flat rate was discussed for commercial and industrial uses also of having a commodity charge in addition which would vary with the amount of water used.

Mayor Johnston commented that the City had apparently not considered the matter seriously during the affluent years, but is now faced with a tragic unemployment rate. He asked how far short of the proposed rates the increase could be set.

Mr. McLean explained his company had made a projected study for the next 10 years relative to income, maintenance and operation costs, the capital outlay necessary to be made and the amount needed for the debt service. For 1971, the net amount available for the debt service, after subtracting the maintenance and operation costs from the expected revenue at current rates is \$446,000, without the new issue. This is about \$190,000 short for 1971 at current rates. They had discussed having one definite rate projected for the next 10 years, but it seemed extremely high. They had then planned a five-year program which would require a lower increase. Even though the five year projected seemed high, it is the amount necessary to carry the program for five years. Based on an increase of approximately 23%, the first few years would be a surplus amount built up and that this would gradually be used up and end with a \$2.00 per load deficit, according to their calculations. At the end of the five years, based on projected costs and increased revenues, there would have to be an additional increase amounting to another 23%, in order to have a balanced account.

Mr. Finnigan asked if that meant that an increase of 85% would be required to carry the program for the next five years and then another 23% increase after that.

Mr. McLean said that was correct.

Mr. Jarstad asked if the rates should then, in fact, have been raised previously.

Mr. McLean replied this should have been done prior to 1969.

Mr. Finnigan commented that news articles indicate that other cities are having the same problems. He asked Mr. McLean what he would recommend that a legislative body do to stay abreast of the rate structure.

Mr. McLean replied he felt to have someone keep better track of the situation and follow through would have prevented the problem and gradual increases should have been made over the years. He pointed out that the City would have to make some adjustment in order to maintain its credit rating.

Mr. Finnigan asked if the consulting company is required to keep a client informed of the situation.

Mr. McLean stated that their company has during the last year. There has been a number of municipalities who had to raise their rates, especially in order to have adequate funds for the debt service.

Mr. Maule pointed out that in spite of the raise in rates for Tacoma, this City would still be getting a better deal than many surrounding cities such as Sumner's rate of \$5.10, Seattle's \$4.75 or Lakewood's \$4.50 per month.

Mr. Schroeder pointed out that the proposed new rates would establish a more equitable distribution of rate percentages than at present, but the area he feels that needs the most attention is the multi-unit dwellings inasmuch as they have been paying a much lower percentage than the single-family dwellings.

Mayor Johnston asked if there was any comment from the audience.

Mrs. Elizabeth Brown, 830 E. 66th St., said she felt she was being discriminated against as she is a single occupant and pays the same rates as a nearby family with eight children.

Mr. A. L. Rasmussen, representing the 29th District Democratic Club, asked that the Council establish a six-months' moratorium on the increase in rates. He felt if the reasons for the increase were publicized more freely, the public would be willing to accept the increase. He said he also had some questions concerning the projected financial statements and a number of other points. One question concerns the capital outlay for improvements to the No. 1

sewage treatment plant and the chlorinating plant on the Tide Flats. Mr. Rasmussen felt they should be paid by a bond issue rather than paying cash. He pointed out the town of Fircrest is charging only 75 cents per month and the residents of Fife are also paying much less. He questioned why the former Councils had not been advised of the existing deficits. He felt some rate increase is well justified, but not in the magnitude that is being proposed. He felt the minimum required would be approximately a 1.3 ratio, and is not in favor at any time of increasing the rates in order to build a surplus up for a future period.

Mr. Corsi asked if the figures for 1964, 1966, 1968 and 1969 had been available to the former Mayor and the Councilmen, and if so, could the Council have made a breakdown on the needs at the time and in the future.

Mr. Brown said this could have been accomplished.

Mr. Corsi asked Mr. McLean to clarify the ratios of coverage necessary or desirable for the years 1971 through 1975.

Mr. McLean explained that a ratio of 2.49 would be the coverage if the rates were raised as proposed; whereas if it were kept at 1.3, the amount needed for the debt service, there would not be funds available for other items such as capital outlay, for new trucks, payment of the utility taxes to the City, etc.

Mr. Roy Farrington, representing a real estate firm and owner of apartment buildings, said he felt the proposed increase would be very hard on apartment house owners, in view of the high percentage of present vacancies in the area. He felt the necessary amount of money needed for the sewer systems should all be raised through a bond issue.

Mayor Johnston asked Mr. McCormick, City Manager, to explain if this would be feasible.

Mr. McCormick explained that the issuing of bonds was the manner in which it has always been handled in the past. The issuance of \$1,500,000 in bonds at present would be to supply the \$1,500,000 as the City's share and matching funds from the Federal and State government share would be approximately \$1 million dollars, which would have to be under construction by May 1st, 1971.

Mr. Jarstad remarked that the bonds have been sold in the past for the purpose of making improvements and asked if this would not be just an extension.

Mr. McCormick stated this was true and would be similar to the extension of a house mortgage.

Mr. McLean added that this \$1,500,000 is only about 10% of the total increase being discussed.

Mr. Tony Passanante, 4406 No. 11th St., secretary of Locals 61 and 711, said he was not in favor of the rate increase as proposed, especially in view of the high unemployment rate. He said he realizes there are many problems to be solved before the unions can make negotiations next July.

Mrs. Marilyn Drury, 3713 No. Mullen, said she opposed the increase as stipulated because of the unemployment situation in the area, and especially as the senior citizens who are on a fixed income cannot afford an increase. She also spoke of the inequity between small and large families being required to pay the same rates.

Mr. Robert Strobel, a real estate representative, felt if the increase were on an equitable basis, it could be determined according to the amount of water consumption, particularly in the case of apartments. He pointed out that apartment dwellers do not use the sewer utility nearly as much as the proposed increase would indicate. He added he can't help feel with the County now considering its own sewer system, that an injustice exists as the taxpayers would be paying the assessment for a County system and also be faced with an additional charge per month. He felt this factor might cause the County taxpayers to vote against the rate increase.

Mr. Tom Wells, 841 E. 48th St., said as a citizen he would refuse to recognize any assessment on the basis of Section 42 of the 14th Amendment of the State Constitution, which states that no State may enforce any law which shall abridge the privileges of citizens or deprive any person of life, liberty or property without due process of law. He also based his objection on the Declaration of Rights which allows the free exercise of the right of suffrage.

Mr. James S. Fairbanks, 4850 So. Thompson, said he felt the flat rate is completely unfair, as there is no comparison in the amount of water consumed by the various users. He said there would be no way of determining how much is used, especially where there are apartments and a commercial establishment in the same building.

Mr. Bronow explained the water meters do measure the amounts. This is an advantage to apartment houses as they are charged on a flat rate rather than according to a meter reading such as a commercial establishment.

Mr. Fairbanks felt there is only one fair method of charging and that is by the water meter method. He also pointed out there are countless number of retired people who live in single-family residences and are on a fixed low income. These people, if charged on a flat rate, would have to pay as much as larger families. He feels something should be done about this injustice.

Mr. Robert Comfort, attorney representing the Pierce County Drain, Sewer and Septic Tank Cleaners' Association, explained this group is a body of approximately nine operators who service the City and County areas. He pointed out that the septic tank cleaners bring approximately \$7,500 a year revenue to the City and with the new rate it would be \$50,000. However, the group that he represents feels the increase is too great for the people in the County to bear. There are three elements which affect the group: a proposal to raise the rate for County sewage to 1½¢ per gallon of sludge and the rate for City sewage to 1¢ per gallon and the proposal to limit the dumping in the City to the central plant site on the Tideflats. About two years ago, the septic tank operators had entered into a ten-year lease with the City, and spent \$2,800 installing a 2,000 gallon tank below the ground and a fence at the 66th & Adams sewage plant, expecting it to be a long-range improvement for their use. Mr. Bronow had advised the group, after the improvement had been started, that the City will require all dumping to be done in the central plant on the Tideflats, but commitments had already been made for the improvements. He added the group would strongly favor retaining the site at 66th & Adams in addition to the central plant. Mr. Comfort quoted various prices charged by the surrounding cities stating they were much cheaper than what the City of Tacoma anticipates charging.

Mr. Finnigan asked how often does a septic tank need cleaning.

Mr. Comfort replied a tank usually needs cleaning every three years or so which would amount to \$35, but most people wait until the tank is overflowing and do not have cash to pay for the service, so they have to operate on a credit basis. If the rates are increased, the operators would have to charge \$50. Then if the operators have to wait for their money, they in turn cannot pay the City and that further complicates the problem. The group feels that paying on a yearly rate, as in Seattle, would be more reasonable.

Mr. Comfort pointed out that a more realistic method would be to gradually increase the truckload charge and suggested the following escalation: \$300 for 1,000 gallon load, \$450 for 2,000 gallons, \$600 for 3,000 gallons and \$750 for 4,000 gallons; whereas if the proposed increase is adopted the charges would go up \$15,000 all in one increase.

Mayor Johnston asked what is the total number of trucks operated by the septic tank operators.

Mr. Comfort said there are about twelve businesses with approximately thirty trucks, but the roto rooters are not part of this group.

Mr. Finnigan recommended that interested persons send in letters expressing their viewpoints in order that the Council can study the matter.

Mr. Jarstad explained that the problem is not only the septic tanks that were plugged up, but the ones that overflow on the surface and by raising the rate per truck-load would cause people to delay the cleaning of their tanks.

A number of septic tank operators each presented their views and protesting the raise in rates.

Dr. Herrmann felt that having a six months moratorium on the increase would only delay and compound the problem. He agreed the increase should be only the minimum required and if it could be accommodated by having annual increments that would be beneficial. He suggested perhaps a formula could be developed between Mr. McLean of the bonding company and others concerned. He did not feel it appropriate to base sewer rates on water consumption alone. The trunk lines and treatment plants are built so that all people can be serviced, and he felt these costs should be apportioned. He pointed out that the biggest difficulty stems from the matter of rezoning for apartments in the City, going from residential to multiple dwellings. He could not understand the apartment house owners saying the situation is as bad as they say in view of the fact that so many apartment houses are being constructed. He agrees it is the private homeowner who has been bearing the bulk of the costs. He felt the distribution of the revenue as proposed is more equitable. He asked if consideration had been given to annual increments.

Mr. Bronow replied the proposed rate is the minimum and that they have scrutinized the matter thoroughly of the City's needs before arriving at the rate being proposed. The Department had studied a ten-year program, but the proposed increase was so high, they decided only on a five-year projection.

Mr. Jarstad remarked the Council appreciates the various people coming to speak and noted there were no proponents, but only people opposing the proposed increase. He pointed out the City will try to make the rates as low and as fair as possible. He added there is also a responsibility to the pollution control problem relative to air, water, garbage and sewerage, and that the City's needs would continue to increase in the future.

Mrs. Egan moved to delay the final reading of the ordinance for two weeks in order to study the matter further. Seconded by Mr. Moss

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

Ayes 6: Egan, Herrmann, Jarstad, Maule, Moss and Mayor Johnston.

Nays 3: Corsi, Finnigan and Schroeder. Motion carried.

Final reading of the ordinance was postponed for two weeks.

* * * * *

The Council recessed at 9:30 P.M. and reconvened at 9:40 P. M.

Ordinance No. 19283

Amending Chapter 13.06 of the Official Code by adding a new Section 13.06.112-6 to include property on the east side of Hosmer St. between So. 82nd and 84th Sts. in a "C-F-P" District. (Petition of Silver Falcon, Inc.)

Mr. Buehler explained this hearing on rezoning had been before the Council on September 29, 1970, and was approved. The petitioners plan to construct a

motel and restaurant complex on the frontage road in that area. The limiting features include a large sewer easement which crosses the property. If this ordinance is approved, the petitioners would be required to submit to the Planning Commission an actual site plan on the development and a contractual agreement will be drawn up for approval by the Council.

Mr. Donald Schweger of the Silver Falcon, Inc. commented they still intend to follow the same plan as shown to the Council last week and are ready to commence construction immediately on the restaurant and cocktail lounge. The establishment will be called Turkey House. He said negotiations on the motel facility are being made with five different chains of motels and the one selected will determine the architectural design. It has been decided which facilities will be on the street side; the inside may be similar to the Hyatt House. Central air conditioning and heating will be installed.

Mr. Jarstad asked who composes the Silver Falcon Company.

Mr. Schweger explained five years ago it had been originally limited to retired and inactive military officers, but has now grown into 120 stockholders including all branches of the services. He added they had just completed a motel in Olympia and last year they constructed apartments at the cost of \$1,700,000 in the City of Tacoma and \$275,000 in the County.

Mr. Finnigan asked when the developer anticipated starting the motel and how many units there would be.

Mr. Schweger said they plan on 144 units and expect to begin construction on 75 units right away.

Mr. Corsi asked if Mr. Buehler anticipated any difficulty in terms of the "R-2" & "R-4-L" & "R-3-P-R-D" which exists north of So. 82nd St.

Mr. Buehler replied they do not as there is another complex in that area which is an "R-4-L" PRD and they are also proposing similar future developments on Hosmer Street. He added at the time the Zoning Ordinance relative to "C-F-V" & "C-F-P" was originated the Planning Commission and the Council had more or less designated that the frontage road was to be oriented to traffic for restaurants, motels and other highway services off the freeway. There is a "CPM" shopping center further to the north, but was shifted later because of problems relative to the interchange at 72nd, which has not yet been resolved at the present time.

Mr. Corsi asked if they anticipate that the entire strip running from 84th to 72nd would then have an application filed for rezoning of this type.

Mr. Buehler said this is what would be required in view of the fact they have two different types of zoning. This was the option for the developer. There is also a limiting factor not to have service stations in with each complex. This is one of the few areas along Interstate #5 which has this particular type of frontage service area he added.

Mrs. Egan asked if a traffic study had been made on Hosmer Street as it is very congested in the mornings.

Mr. Buehler explained that all factions in that area have to be concerned with the fact that Hosmer and Sprague Streets may possibly become a couplet of one-way streets, with one going north and the other southbound, as the area builds up.

The ordinance was placed in order for final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 19275

Amending Chapter 13.06 of the Official Code to add Section 13.06.065(94) to include property on the north side of So. 12th between Vassault and Pearl Streets in an "R-4-L" District. (Petition of Walker & Rhea)

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

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

Nays 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19277

Providing for the improvement of L. I. D. 4960 for paving on East 54th from McKinley Ave. to Portland Ave.

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

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

Nays 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19278

Approving and confirming the assessment roll for L. I. D. 4895 for paving in alley between Pacific Ave. and "A" St. from So. 26th to So. 28th St. and other nearby projects.

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

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

Nays 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19279

Approving and confirming the assessment roll for L. I. D. 5472 for water mains in Plat of Prairie Ridge No. 4.

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

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

Nays 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19280

Approving and confirming the assessment roll for L. I. D. 6911 for intersection street lighting along 27th St. N.E. from 53rd Ave. N. E. to 59th Ave. N. E. and other nearby streets.

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

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

Nays 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19281

Approving and confirming the assessment roll for L. I. D. 6916 for inter-section street lighting along East "E" St. from Morton St. to East 37th St.

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

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

Nays 0.

The Ordinance was declared passed by the Chairman.

UNFINISHED BUSINESS:

The Director of Public Works presents the assessment rolls for the following:

LID 3704 storm sewers in the alley between Ferdinand and Mullen Streets from No. 45th to No. 46th Streets.

Mr. Finnigan moved that the date of hearing be set for Monday, February 22nd, at 4:00 P.M. Seconded by Mr. Corsi. Voice vote was taken. Motion carried.

COMMENTS BY MEMBERS OF THE COUNCIL:

Mr. Moss remarked that he was pleased with the results of the efforts made by Mr. Mork and Mr. Douglas Hendry on their recent trip to Washington, D.C. relative to an Urban Mass Transportation Seminar held by the American Transit Association.

Mr. Corsi brought to Council's attention that he had spoken to an attorney last week who lives on Fox Island, who expressed concern over drug problems in this area. Mr. Corsi said inasmuch as he spends some time on Fox Island in the summertime, he agreed to speak to Sheriff Peterson. He said he had talked to Mr. Peterson in the company of Mr. Jarstad. Mr. Corsi said subsequently to that time, more or less by accident, he and Mr. Jarstad had gone to the Planning Commission hearing at which the head of the Tacoma Narcotics Center was making an appeal for a zoning. After the meeting, they held further discussion on this problem. He suggested in order to determine more precisely what the problem is within the City as well as in Pierce County, he asked that a date be set in the very near future with the Council as a whole to meet with the Narcotics Division of the Police Dept., Pierce County Sheriff and County Commissioners, as well as the interested lay people working on the subject in an effort to really confront the problem. He pointed out this is a serious problem and becoming worse. He felt the Council should address itself to the problem in a very formal manner in the very near future. 31

Mayor Johnston asked that the City Manager arrange a meeting regarding this matter.

Mr. McCormick thought he should also attend the meeting as well as the Executive Director of Model Cities and the O.D.I. representatives and the Director of the Narcotics Center.

Mr. McCormick said he would arrange a meeting for next week.

Mayor Johnston explained a letter was received from the Senior Centers, Inc. regarding their search for a new location. He quoted excerpts from the letter which stated they are doing everything possible, but would also like to know how elastic the time limit is and perhaps the Council would like to state an ultimate deadline for them to vacate the building.

Mayor Johnston asked that Mr. McCormick comment on this subject.

Mr. McCormick said he did not believe a definite deadline had been stated, but he had told them approximately two or three months ago to move their materials out of the old building as soon as possible as they could no longer use it as meeting places. He added that the Fire Dept. and Health Dept. considered the building as hazardous. However, a deadline can be set if the Council desires.

Mr. McCormick said he had received a phone call from a prospective purchaser who wants to demolish the building and use it for some purposes. He said he will pursue the matter further and make a report to the Council.

Mr. Jarstad said he had attended a meeting in Olympia this week at the Mayor's request concerning the developments of Highway SR 16. He reported that the work on two or three of the interchanges on SR 16 between the Narrows Bridge and Purdy is to be accelerated. This was made possible by the fact that some other high priority work scheduled for this year was delayed in King County by citizen protests, etc. He pointed out this would result in more construction and more jobs, so that Tacoma may have a definite advantage. A question was raised by the Mayor of Gig Harbor as to the priority on the interchange at the end of the bridge, which would lead to the City's Industrial Airport, and since there is already an interchange there, this had not been given high priority, but the increased activity at the airport arises. They had indicated it might be possible to move that ahead on priority also. A question was also raised that a traffic bottleneck coming from the airport at certain times of the day and especially on weekends is difficult for traffic to get onto the freeway. It was suggested that perhaps widening that highway and putting in a left lane would alleviate the problem.

ITEMS FILED IN THE OFFICE OF THE CITY CLERK:

- a. Minutes of Public Utility Board meeting of December 23rd, 1970.
- b. Minutes of Tacoma City Planning Commission meeting of December 21, 1970.
- c. Update Cost Estimate for Urban Arterial Project for South 74th St. and South Tacoma Way and for Urban Arterial Project for 6th Ave. and Union Ave.
- d. Monthly Financial Report, November 30, 1970, Light Division, Water Division and Belt Line Division.

Placed on file.

Mr. Schroeder moved to adjourn the meeting. Seconded by Mr. Mauls. The meeting adjourned at 11:15 P. M.

Attest:

Josephine Melton-City Clerk


Gordon N. Johnston - Mayor