

**CITY COUNCIL BUDGET HEARING**

Monday, October 7, 1963  
City Council Chambers, 7:00 P. M.

Present on roll call 4: Haley, Herrmann, Price and Mayor Tollefson.  
Absent 5: Cvitanich, Finnigan, Steele, Bott and Murtland. Mr. Bott arrived at 7:30 P. M. Mr. Murtland arrived at 8:30 P. M.

**THIS IS THE DATE SET BY STATE LAW FOR THE HEARING ON  
THE BUDGET FOR 1964**

Mayor Tollefson greeted the audience and said the Council appreciated <sup>36</sup> their attendance this evening and would welcome any questions or solutions concerning the budget.

Mr. Rowlands explained, at the first meeting of the Budget hearings, an attempt is made to bring the City Council and public's attention to a summary of what is contained in the 1964 budget.

Mr. Rowlands pointed out the problems with regard to what has contributed to the financial status of the Budget.

**ESTIMATED REVENUES**

|  | <u>1963</u> | <u>1964</u> | <u>% Increase<br/>1964 over 1963</u> |
|--|-------------|-------------|--------------------------------------|
| Property Tax   | 3,769,144   | 4,045,042   | 7.3                                  |
| <p>The reason for the increase of revenue in 1964 over 1963 relates from the fact that the City is paying for the bond program approved by the people last March; out of this total amount of over \$250,000, the increase that can be used by the general operating budget amounts to \$60,000.</p> |             |             |                                      |
| Licenses, Fees,<br>Permits   | 1,908,955   | 1,967,051   | 3.0                                  |
| Utilities-Gross Earnings<br>Tax  | 1,754,337   | 1,787,311   | 1.9                                  |
| Liquor Tax   | 986,124     | 931,941     | (5.5)                                |
| <p>Mr. Rowlands said there is a decrease in the liquor tax of approximately \$50,000. This is a substantial amount that the general budget could certainly use.</p>  |             |             |                                      |
| Motor Vehicle Excise<br>Tax  | 363,810     | 365,459     | 0.4                                  |
| Gasoline Tax   | 637,129     | 654,931     | 2.8                                  |

Mr. Rowlands explained that the gasoline tax can be used for the operation of the Public Works Department, whereas the arterial gas tax is used only for construction of arterial streets.

|                              |         |         |       |
|------------------------------|---------|---------|-------|
| Fines & Forfeitures          | 570,100 | 608,000 | 6.6   |
| Miscellaneous                | 562,355 | 519,175 | (7.7) |
| Interdepartmental<br>Charges | 332,375 | 316,916 | (4.6) |

The decrease in these charges is the fact that there are fewer employees.

|                         |         |         |       |
|-------------------------|---------|---------|-------|
| Use of Property & Money | 280,603 | 274,777 | (2.1) |
|-------------------------|---------|---------|-------|

This decrease is from the attendance at the Ball Park.

|                          |         |         |      |
|--------------------------|---------|---------|------|
| Parking Meter Collection | 201,000 | 224,200 | 11.5 |
|--------------------------|---------|---------|------|

This increase is due to the fact that the new meters have been very well received.

|                               |        |         |       |
|-------------------------------|--------|---------|-------|
| Unexpended Balance<br>Surplus | 66,700 | 143,073 | 114.5 |
|-------------------------------|--------|---------|-------|

This increase has been the result of tightening the reins by not replacing employees.

|                      |        |        |     |
|----------------------|--------|--------|-----|
| Lift Bridge Recovery | 64,947 | 64,830 | 0.2 |
|----------------------|--------|--------|-----|

|               |                   |                   |            |
|---------------|-------------------|-------------------|------------|
| <b>TOTALS</b> | <b>11,497,579</b> | <b>11,902,706</b> | <b>3.5</b> |
|---------------|-------------------|-------------------|------------|

Mr. Rowlands explained these figures give the general picture of what can be expected in additional revenue for 1964.

Mayor Tollefson asked what amount from the property tax could be used for the General Fund.

Mr. Gaisford, Director of Finance, said the assessed valuation has just been received from the County and the total gain over 1963 will be \$52,000, which will go into the General Fund.

Mr. Rowlands pointed out the estimated Operating Expenditures. Next year is leap year and it will cost the General Government approximately \$33,000 for one day for salaries.

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ESTIMATED OPERATING EXPENDITURES

|  | <u>Estimated<br/>1963</u> | <u>Proposed<br/>1964</u> | <u>% Increase<br/>1964 over 1963</u> |
|--|---------------------------|--------------------------|--------------------------------------|
| City Council   | 66,869                    | 66,778                   | ( - )                                |
| City Clerk   | 69,347                    | 89,666                   | 29.3                                 |
| <p>The reason for the increase in the City Clerk's office is that there will be two elections in 1964.</p> |                           |                          |                                      |
| City Manager   | 69,623                    | 59,003                   | (15.2)                               |
| Police Court   | 112,915                   | 108,119                  | (4.3)                                |
| Legal  | 174,371                   | 173,987                  | (2.2)                                |
| City Planning  | 106,428                   | 110,294                  | 3.6                                  |
| Personnel  | 97,578                    | 96,362                   | (1.2)                                |
| Urban Renewal  | 31,824                    | 31,779                   | ( - )                                |
| Finance  | 346,367                   | 343,467                  | (0.8)                                |

Mr. Rowlands said the data processing equipment is located in the Finance Dept. The use of this equipment has brought about the reduction of personnel in various departments by the use of these machines.

|               |        |        |     |
|---------------|--------|--------|-----|
| Tax & License | 81,766 | 84,014 | 2.8 |
|---------------|--------|--------|-----|

The increase here is that this office is now being assigned the rental cost, since they now occupy the space that was formerly the Treasurers Dept.

|               |           |           |        |
|---------------|-----------|-----------|--------|
| Police        | 2,095,281 | 2,053,612 | (1.99) |
| Fire          | 2,129,753 | 2,121,629 | (0.4)  |
| Civil Defense | 38,028    | 46,281    | 21.7   |

In the Civil Defense Dept. there is an increase, as \$8,000 is reimbursable from the Federal Civil Defense Agency.

Mr. Rowlands pointed out that the City has been able to obtain radios and other equipment through Civil Defense for half the price as can be obtained elsewhere. The Civil Defense Dept. is now set up to take care of any national disaster.

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|                  |           |           |       |
|------------------|-----------|-----------|-------|
| Health & Welfare | 359,100   | 352,705   | (1.8) |
| Public Works     | 1,885,913 | 1,812,585 | (3.9) |

There are eight fewer positions budgeted for the Public Works Dept. in 1964. A great number of L. I. D. petitions have been submitted and approved by the City Council for street paving therefore decreasing the maintenance cost to the City.

|         |        |        |      |
|---------|--------|--------|------|
| Airport | 25,074 | 43,702 | 74.3 |
|---------|--------|--------|------|

There has been included in the Airport Fund for 1964 salaries for an Airport Manager, Secretary, Maintenance man and two guards.

|                   |         |         |       |
|-------------------|---------|---------|-------|
| Metropolitan Park | 501,791 | 501,000 | ( - ) |
| Library           | 648,943 | 689,500 | 6.2   |

The Library Board has requested an additional \$41,000 this year over last year.

|                                |           |           |      |
|--------------------------------|-----------|-----------|------|
| Police Pension                 | 218,000   | 226,500   | 3.9  |
| Fire Pension                   | 485,153   | 497,793   | 2.6  |
| Interest & Debt<br>Redemptions | 1,251,071 | 1,458,106 | 16.5 |

The increase in the Interest and Debt Redemption is to take care of the debt service for the bonds voted upon by the people last March.

|               |         |         |      |
|---------------|---------|---------|------|
| Miscellaneous | 701,584 | 888,108 | 26.6 |
|---------------|---------|---------|------|

The increase of \$186,000 in miscellaneous represents the amount due the Light and Water Divisions at the end of 1963 for street lighting and for the rental charge on Fire hydrants.

|   |            |            |     |
|---|------------|------------|-----|
| Unappropriated Surplus                    |            | 47,716     |     |
| Total Estimated Operating<br>Expenditures | 11,497,579 | 11,902,706 | 3.5 |

Dr. Herrmann said the pension funds for Police & Fire have been increasing every year and he asked if there was a time in the future when they will level off.

Mr. Rowlands stated it is predicted these will continue to rise for the next ten years.

Mayor Tollefson remarked by 1967 and 1970 there will be as many people on pension as there will be in the Police service, therefore the pension fund will cost

just half as much as the services.

Mr. Rowlands explained the policy of the Pension Systems, stating that the Legislature has seen fit to burden the Cities with additional expense, but have not given them any means to take care of the problem. He said he agrees that the Policemen and Firemen deserve these pensions, but thought that the Cities should be getting their just share of the State Collected Taxes if they are expected to absorb these additional substantial costs.

Mr. Rowlands pointed out some of the losses in revenue which occurred in different periods of time from 1955 to 1963. If it were not for these particular obligations and reductions in available revenues, the City of Tacoma would be in good shape financially. The financial reduction over and above what a City should expect to have foisted upon it is in the amount of \$5,775,000. If this amount had not been taken away from the City in the last eight years the City would not have had any financial problems.

### THE FINANCIAL PROBLEM

1955 - 1963

#### I. LOSS OF REVENUES

|  |               |
|--|---------------|
| 1. Gross Earnings on Outside Customers (LT.)                       | \$ 34,000     |
| 2. Gross Earnings Deductions (LT. -W-G&R-S)                        | 70,000        |
| 3. Decrease in state-collected, locally-shared taxes (1960 Census) | 160,000       |
| 4. Gross Earnings - Belt Line (8% to 5%)                           | <u>16,000</u> |

TOTAL LOSS IN REVENUES-----\$ 280,000

Mr. Rowlands remarked that the additional fixed obligations placed upon the City are all coming out of the operating budget.

#### II. ADDITIONAL ANNUAL FIXED OBLIGATIONS

|  |           |
|--|-----------|
| 1. Street Lighting energy (3 to 6 mills) | \$ 49,000 |
| 2. Contribution to Metropolitan Parks    | 501,000   |

Prior to 1955 the General Operating Budget did not contribute one cent to the Park System as they had their own millage; when their millage was taken away from them the City has had to absorb this \$501,000 since that time.

|                                      |                |
|--------------------------------------|----------------|
| 3. Increases in Water Service Charge | 35,000         |
| 4. County-City Building Debt         | 104,000        |
| 5. County-City Building M & O        | 72,000         |
| 6. Transit Subsidy                   | 51,000         |
| 7. Firemen's Pension Fund            | <u>165,000</u> |

TOTAL OBLIGATIONS-----\$ 977,000

TOTAL LOSS IN REVENUES AND ANNUAL FIXED OBLIGATIONS \$1,257,000

Mayor Tollefson remarked that item (4) County-City Bldg. Debt, in the amount of \$104,000 is paid to the County each year toward the payment of the City's share that the County residents paid toward the City portion of the building as this was a County Bond issue. It was an agreement between the City and County, rather than the City rent this space, the City would pay to the County that share which the County taxpayers paid toward the City portion. He added, after 20 years that will be removed.

Mr. Rowlands continued on with the 1964 presentation of the budget. He said this 1964 proposed budget includes all of the funds.

1964 PROPOSED BUDGET

|                                 | 1963             | 1964             |
|---------------------------------|------------------|------------------|
| General Departments             | 8,339,180        | 8,283,483        |
| Non-Departmental                | 1,906,528        | 2,161,117        |
| Interest & Debt Redemption      | <u>1,251,871</u> | <u>1,458,106</u> |
| TOTAL General Government Budget | 11,497,579       | 11,902,706       |
| Arterial Street                 | 516,500          | 708,970          |

The City Council and the Citizens Committee have worked out a 6-year Capital Improvement Program where this money can be put to the best use. This money is ear-marked 1/2¢ gas tax which was designated to the Cities a little over two years ago. He said the City has to contribute 25% in order to secure these matching funds from the State.

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|                             |                    |                    |
|-----------------------------|--------------------|--------------------|
| <b>Employees Retirement</b> | <b>1, 914, 857</b> | <b>1, 968, 192</b> |
| <b>Revolving Funds</b>      | <b>1, 118, 695</b> | <b>1, 221, 406</b> |
| <b>Garbage &amp; Refuse</b> | <b>1, 202, 303</b> | <b>1, 197, 736</b> |
| <b>Sewer</b>                | <b>1, 600, 000</b> | <b>1, 348, 600</b> |

He said the City has obtained almost two \$250, 000 grants and did not use the full amount. The Federal Government through the State Pollution Control Commission has given the City one-half million dollars to help take care of the pollution program. This has been reduced for next year, however, it is hoped that the City will possibly receive over the next year or so another \$750, 000.

The City expects to complete two large projects, one is in the Ruston Waterway area and the large interceptor Line.

|                  |                        |                        |
|------------------|------------------------|------------------------|
| <b>Transit</b>   | <b>1, 493, 053</b>     | <b>1, 581, 736</b>     |
| <b>Light</b>     | <b>17, 908, 941</b>    | <b>18, 354, 489</b>    |
| <b>Water</b>     | <b>3, 044, 950</b>     | <b>3, 561, 080</b>     |
| <b>Belt Line</b> | <b><u>482, 472</u></b> | <b><u>546, 798</u></b> |

**TOTAL - CITY OF TACOMA \$40, 781, 350                      \$42, 391, 713**

Mr. Rowlands said he would like to point out some of the programs planned for 1964.

1. Cooperation with AWC to secure a fairer share of state-collected locally-shared taxes.

He said the City Council and Councilmen in other cities and towns in the State of Washington will be meeting to determine whether or not the cities shall share in a larger portion of the state-collected locally-shared tax.

The City of Tacoma has indicated to the Legislature that we could rightfully ask for \$800, 000 to take care of the problems in Tacoma created by the consumption of liquor. The Cities in Arizona and California have a 4% sales tax, but they receive 25% of the sales tax revenues. The cities in the State of Washington do not receive a cent from the sales tax revenue.

2. Continuation of sanitary sewerage system improvements.

3. Acquisition of additional sanitary landfill sites.

4. Continuation of community development programs and urban renewal projects for Center, Fawcett and Downtown areas.

Mr. Rowlands explained the City Council will consider opening bids soon on

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some of the Center St. sites. He was hopeful that this area would be a means of attracting and retaining certain industries in Tacoma that would otherwise not remain here.

He said most of the property in the Center St. project had been acquired, there is approximately 15% to acquire.

**5. Continuation of the Six-Year Capital Improvements Program as approved by the Citizens' Committee.**

**6. Continued participation in Puget Sound Regional Transportation Study.**

The Puget Sound Regional Transportation Study has taken almost three years to complete and there should be many answers to our local problems next year. The City Council has shown an interest in working out a traffic route from South King Co. and N. E. Tacoma to encourage people to travel to Tacoma's industrial area.

**7. Conversion of additional functions to machine accounting system.**

**8. Continuation of in-service training program.**

**9. Continued modernization of Transit System to provide the most economical and efficient operation possible.**

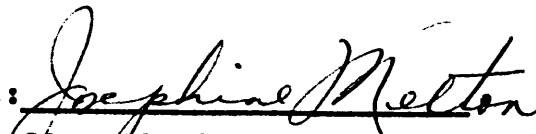
Mr. Rowlands said that summarizes briefly the proposed programs for next year.

Mayor Tollefson said the budget hearings will continue to meet this week from day to day until the Budget is adopted.

The meeting recessed at 8:35 P. M.

  
\_\_\_\_\_  
Mayor of the City Council

Attest:

  
\_\_\_\_\_  
City Clerk