

CITY COUNCIL BUDGET HEARING

City Council Chambers
Tuesday, December 7, 1971

The budget hearing reconvened at 10:40 following the regular City Council meeting.

Present on roll call - 8: Egan, Jarstad, Maule, Moss, Nalley, Schroeder, Sonntag and Mayor Johnston. Absent - 1: Herrmann.

Mr. Bill Donaldson, City Manager, reported that there had been a meeting today with the Electrical Workers and the Professional & Technical Engineers Unions and a number of the problems are now resolved, with further meetings planned. Also, that a report is expected from Mrs. Piva of the Pierce County & City Employees Local #120, who will be meeting with the members of that Union shortly.

The offer made to the employee representatives was a total package which would include a 2 to 2½% wage adjustment, 2% fringe adjustments, and a maintenance and membership agreement. The Manager's office has taken the position that this package is inseverable and is a total package which must be either accepted or rejected in total. At present there is a vast majority of the City employees who agree to accept the proposal, although there are union groups who are not willing to accept some of the provisions of the proposal.

Mr. Donaldson also said that in the past the practice has been that those groups who do not accept the proposal, in effect, do not benefit from it and their wages and fringe benefits will remain unchanged until a solution is made either by continuing negotiations or by mediation and arbitration.

It is hoped that the City employees will realize that the offer is the very best that can be made under the present economic conditions. The Manager's office feels that they must hold strongly to the instructions received from the City Council and negotiate under the Master Agreement, with all City employees as one unit.

Mr. Donaldson advised that this is the last date, according to law, upon which a public meeting can be held on the budget, but that subsequent discussions can be held by the Council or staff members to discuss or rearrange the budget. It is not expected that the budget will be adopted in final form this evening. The staff members could present any changes they wish at the study session on Monday, December 13th, and the Council could then make any changes desired, before the final budget is adopted. The legal number of meetings have now been held in accordance with Washington State Statutes.

Mr. Mittelstaedt, Assistant Finance Director, presented a summary of the City revenues and indicated what changes can be foretold for the next year.

Mr. Donaldson advised that the budget being presented represents a budget that the City can "live with," no matter what happens to the national economy during the year.

Mr. Joe Clytus, a National Urban Fellow working for one year in the City Manager's office, reported that the estimated revenue for 1972 will be \$18,693,000, which is an increase of 4% over last year's figures, up \$735,000. He also reviewed the projected revenues for 1972 as compared to those projected for 1971, indicating the percentage of increase expected. He also described other areas and source of income, stating whether they would be up or down from the 1971 estimates.

The Council was advised that there is no money available for the Contingency Fund. This is a separate fund set aside for unforeseen items.

Mr. Jarstad commented that the estimates of the Finance Department had been conservative and had come out appreciably close to the estimates for 1971. He commented that if the Council members had any further questions about any of the individual expenditures or the programs, they would have until the end of the month to obtain answers, prior to the final adoption of the budget.

Mr. Donaldson explained that basically the 1972 budget is a "stand-fast" budget and the changes are relatively small, with only two items representing a substantial change: (1) Wages and fringe benefits package, and (2) the revamping of the Public Works - Police and Fire Department communication systems. The latter would have the greatest impact and benefit to the citizens and homeowners, as there would be a single telephone number for the public to contact in all cases of emergencies.

Mr. Donaldson advised that his office recommends that Council incorporate the salary and fringe benefit package and the expenditures for the radio communication system into the budget and the other minor changes that have been discussed and then a budget including these changes could be presented at the Study Session on Monday, December 13th. The staff would also present a list of what had been done to accomplish those items and the Council could then review the list and indicate any further changes desired. He explained that some of the problems are still in the process of being resolved with some of the employee representatives.

The public nor the Council having any further questions at this time, Mr. Maule moved to adjourn the final public hearing on the 1972 City Budget. Seconded by Mr. Schroeder. Voice vote taken and carried. The hearing adjourned at 11:45 P.M.


GORDON N. JOHNSTON - MAYOR

ATTEST:


H. B. Bond - City Clerk