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CITY COUNCIL MINUTES

City Council Chambers. 4:00 P. M.
Thursday, March 30, 1961

Council reconvened at 4:00 P. M. from the meeting of March 28, 1961. Present on roll call 6; Cvitanich, Easterday, Porter, Price, Steele and Mayor Hanson. Absent 3: Bott, Murland and Olson. Mr. Bott coming in at 4:30 P. M.

Mayor Hanson announced that the matter before the Council at this time is relative to the Humane Society and the problem involving the labor dispute.

Mayor Hanson in speaking to the employees of the Humane Society said, we all feel that you are fine dedicated people anxious to perform a service for the Community and the City and, of course, for our animal kingdom and it is appreciated. The fact that we have identified an area of differences of opinion does not mean that we do not appreciate the work you have been doing. He asked Mr. Sorenson, Humane Society Board Member, to enlighten the Council on the problem involving the labor dispute.

Mr. Sorenson explained that when they took over the Society 10 years ago, the City was operating it until that time and every year was \$9000 or \$10,000 in the red. The Society at that time felt that they could do a far better job than the City, so arrangements were made with the City whereby the Society would receive 85% of the licenses and the City would receive 15%. The City was making a profit for a number of years. He said at that time labor conditions were very poor, but from time to time the Society kept increasing these wages and did everything possible with the money at hand. As time went on revenues were not adequate and the City eventually granted the Society the remaining 15% of the fees collected. Again the Society finds itself in a position of having an income of \$43,000 from licenses and a \$53,000 wage problem which is \$10,000 over the income on licenses. \$80,000 a year is the approximate cost of the Society's operation. The other \$37,000 is obtained from memberships from sales of collars, donations, etc. The employees are requesting a salary increase but we do not have the money. The only place the money can come from is from the City. The Society feels that they are doing a good job with no thanks and a lot of criticism. If the City Council wishes a good operation and the Union feels that they have to have a 5% raise, the City will have to come up with some money. The Society cannot give all these services, meet all these wage grants, and keep the operation going. It might work for 7 or 8 months, but ultimately comes the day of reckoning when we cannot meet the payroll and what will happen then, we violate our contract with the City and we are out of the picture. He suggested that the City come up with a 2 1/2% increase or whatever can be worked out. He added, the employees are asking for a 5% increase. The County has come up with a little help and the Society has cut their budget somewhat.

Mr. Easterday asked how much money would this 2 1/2% entail.

Mr. Rowlands said he would like to give the Council a run down on what has developed in the past day and one-half. A 2 1/2% increase would roughly cost about \$1200 and a 5% increase \$2400. The County has agreed to increase its existing contribution, which is now \$8400, an additional \$1200 a year, which would make a total of \$9600. The Humane Society has endeavored to point out to the County exactly how much work it accomplishes for the County and how much for the City, there seems to be a very slight difference of opinion, and he thought this was something that should eventually be worked out between the County and City.

He said from the standpoint of the Society, the revenues in the first couple of months of this year are running about \$1100 behind in comparison to the same period last year. He said he felt with considerable effort they should be able to pick up some of this loss to the extent of maybe half of that amount, but this is conjectural.

He further added in going over the Humane Society Budget, he pointed out to a few members of the Humane Society Board, that there were two items that might be deleted which is the \$500 for truck depreciation and the \$1000 budgeted for repayment to the endowment fund. He said, for example, under our own City operation, because of the tightness of our Budget, we have not been able to set up an equipment depreciation fund. Also it was his recommendation that this \$1000 for repayment to the endowment fund be eliminated now because the endowment fund is essentially and principally to develop facilities for dogs and cats and other animals; with these two deletions and a few hundred dollars elsewhere, \$1600 or \$1700 might be picked up which by September 1st will leave the Society with a deficit of \$600 to \$1000. If the Council would be willing to consider a request, as of Sept. 1st, to make up a deficit which may or may not develop, the Society may feel a little more secure in its operation rather than spending their money month by month with the possibility of being short the last month in the year.

Mayor Hanson asked Mr. Rowlands to make a comment on what his conclusions were with reference to the cost to the City under this arrangement as compared to the probable cost if the City were to take over the operations. He said he understands that this is a much more economical and a more desirable method of handling it.

Mr. Rowlands said there is no doubt that this would be the better method of handling the matter as the other method of handling the operation would be an additional cost of some \$30,000 in his estimation. He thought if these suggestions are acceptable and a wage increase of 5% is made, it is conceivable that by September there will be very little money that might have to be made up by the City. It is his belief that inevitably, "you are going to have the law of supply and demand and diminish and return operating."

Therefore, as the exact services are performed for the County and City. The County and City might have to augment to a small degree the money given to the Society because of the employees wage adjustments in the future, the money has to come from somewhere. He thought there would have to be a small supplemental contribution.

Mayor Hanson said with this immediate proposal, the Council they would have to give an assurance to make up the deficit as it actually becomes established.

Mr. Allan Hutchinson, a member of the Humane Society, said after investigation last year, was discovered that the County was receiving about 25% of the services of the Society and the City about 75%. However, figuring out the ratio of 25% is to "x" as 75% is to the ratio that the City has given us, the conclusion was reached that the County should contribute another \$3000.

Mayor Hanson said the County Commissioners are not present but they are conscientiously trying to work this problem out and we think this can be accomplished if we do it orderly in terms of future budget. At present, he added, we are concerned only with this emergency aspect of the problem.

Mr. Hutchinson said they would like to go on record as saying the City has been wonderful, and the members have the feeling that the Society should operate in the black. They personally need \$1200. The actual revenue is down this year. They see the possibility that at the end of the year not figuring the \$1200, the Society is going to be down a considerable amount of money. "The Society is not in business to make money nor are they in business to lose money." They want to operate in the black. If the City wants to come up with the additional money for all this, they say "God bless the City" and the Society feels they have already done their share by far.

Mayor Hanson said he is pleased to hear the City has done their share. He would like to state very firmly that the City has always had extremely fine cooperation in any venture entered into with the County Commissioners. When all the facts are presented and at budget time he was certain that the Commissioners would continue their policy in facing the issues fairly. Right now, he added, we do have the basic facts before us and that is, would it be acceptable to the organization to eliminate the \$500 for truck depreciation and the \$1000 for repayment to the endowment fund to apply to this commitment; then we also have the additional \$1200 commitment from the County. We realize this does not yet fully resolve the matter but we will not know the precise amount until August.

Mrs. Sorenson said upon checking the Budget with Mr. Rowlands, it was agreed that the \$500 for the truck depreciation and also the \$1000 endowment fund payment could be eliminated until such time as the money is available. By cutting the budget to the bone and by receiving the \$1200 extra from the County it would represent about a 2 1/2% increase for the employees. However, before

making any commitments they would like an assurance that in Sept. , if whatever they cut from their budget will not take care of the wages, and if they will not have to lay off any men, this would be agreeable to them.

Mayor Hanson asked if it would be satisfactory if the Council would agree that the deficit be made up in Sept. and then take another look at it again so that some definite amount can be established.

Mrs. Sorenson said this would be agreeable.

After further discussion, Mr. John St. Thomas, a member of the Humane Society Board, asked if it is understood that in September, if the Society, is not able to operate without laying off men the Council will agree to pick up the "tab" to carry the Society through until the first of the year. He added, they are willing to spend what money they have but when September comes they do not want to have to curtail services and default upon their contract with the City, and consequently, be open to criticism by not performing their duties.

Mayor Hanson said it was his understanding that as part of this proposal the Society would receive assurance from the Council that they will make up the difference at that point. Before the Council adjourns, some indication should be made in that direction he thought.

Mr. McCormick said the Council by a meeting of the minds with the other party can at any time abrogate this agreement, but if the City is going to pick up the deficit he felt they should determine how much.

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Mr. Bott asked , /does the City propose to get the money and secondly, would they be acting properly without consulting the County Commissioners?

Mayor Hanson said the County Commissioners have already committed themselves to an additional \$1200

Mr. Easterday asked Mr. Rowlands, if the City agrees to pick up the "tab" in September how much would be needed.

Mr. Rowlands said considering the figures we have been dealing with it would be approximately \$1000.

Mr. Easterday then moved that the City agree to pick up the "tab" in the amount not to exceed \$1000 to carry on this function for the balance of the year. Seconded by Mr. Cvitanich.

Mr. Steele said he would have to leave at this time, but he wished to be recorded as voting No on Mr. Easterday's motion as he could see no

reason why the City should have to pick up a "tab" at any time. He thought this was a function that the Humane Society should take a great deal of pride in running. He added, if they cannot run the Society and take care of their personnel, then they should take another look at their operation.

Mr. Hatfield, Union Representative said due to the efforts of Mr. Rowlands, a great deal has been accomplished. The County Commissioners have increased their contribution from \$600 to \$1200. The Humane Society and the Council have agreed upon, so far, a 5% increase. The Society will pay the Health and Welfare for the employees; and will include in the contract an arbitration clause, a mediation clause that will prohibit any strike, settle any dispute that might occur during negotiating a new agreement, and the employees are willing to extend the contract on a year to year basis. He continued, the Society agreed to take this before the Board and agreed to the terms with the provision that the City agreed to take a look at the situation next September. From his point of view, he would agree with Mr. Rowlands that there would most likely be a maximum deficit of \$1000. He said he was also optimistic that the amount could be considerably less.

Mr. Bott said with that information he could see nothing wrong with the proposal.

Mayor Hanson said he thought the Council could take action upon Mr. Easterday's motion which would be conditioned upon acceptance by all the parties concerned.

Mrs. Sorenson said it should be clarified that she had told Mr. Hatfield she would present these clauses in the contract to the Board. She did not say that she could take the full responsibility for accepting, for example, the mediation clause, until this was further investigated.

Mayor Hanson said the City's position could be established, the vote on Mr. Easterday's motion could be taken. Afterwards the Society Board members could adjourn to the Conference Room and discuss the matter further.

Voice vote was then taken on Mr. Easterday's motion to pick up any deficit in Humane Society operations up to \$1,000, which resulted as follows: Ayes 6; Nays 1, Steele; Absent 2, Murtland and Olson.

Mr. Easterday left at this time and the Society adjourned to the Conference Room to discuss acceptance of all the clauses of the contract.

Mr. Cvitanich said about 5 or 6 months ago he brought up the question of the possible closing of the Mt. Rainier Ordnance Depot and that Mr. Rowlands, City Manager, was going to check on this matter but to date, he said, he has received no information. He would like to have a Resolution drafted and presented to Council to request the President and our Congressional Delegation to do whatever possible in this matter.

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Mayor Hanson said attention has been given to this matter previously and Senator Magnusson is going to be contacted this evening to find out the entire picture. He said he could assure Mr. Cvitanich that within the limits of our ability we are trying to do everything possible.

Upon the Society Board Members return to the Chambers, Mrs. Sorenson asked that Mr. Hatfield again read the clauses of the contract.

Mr. Hatfield read them as follows: a 5% wage increase, health and welfare, an arbitration clause, a mediation clause, that the employees be paid straight time for overtime if they are called and required to work overtime, and the contract would be effective retroactive as of January 1, 1961 through April 1, 1962.

Mrs. Sorenson said the Society is agreeable to all of the items set forth and that Mr. Hutchinson would like to speak on the Mediation-Arbitration Clause.

Mr. Hutchinson said the Board members have agreed that they will accept the Arbitration-Mediation Clause, with the understanding that the endowment fund would not be affected by the subject of such mediation. The exact wording of the Mediation and Arbitration Clause would have to be worked out by a labor attorney, he added.

Mayor Hanson explained then, with this agreement, all that is left is the mechanics of drawing up the wording. He felt that this resolves the problem. He congratulated all parties concerned, but particularly Mr. Rowlands who has done a marvelous job in bringing about this settlement.

Mr. Hatfield thanked the Society for meeting with the employees, and the Council, and the Manager for their consideration.

Mr. Sorenson also expressed appreciation for the time taken to settle these difficulties.

There being no further business to come before the Council, upon motion duly seconded and passed, the meeting adjourned at 5:55 P. M.

Ben Hanson
Mayor of the City Council

Attest: *Josephine Nelson*
City Clerk