

CITY COUNCIL BUDGET HEARING

City Council Chambers
Tuesday, Dec. 2, 1969.

The meeting was called to order by Mayor Rasmussen at 7:30 P.M.

Present on roll call 9: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary, Zatkovich and Mayor Rasmussen.

Mayor Rasmussen announced that this is the continuation of the budget hearing from Dec. 1, 1969. The Public Utilities Dept. Preliminary budget will be reviewed this evening.

Mr. Clif A. Erdahl, Director of Utilities, explained that the Light, Water and Belt Divisions constitute the total Utilities Dept. budget in the amount of \$33,125,541. The letter from Leo A McGavick, Chairman of the Utility Board, indicated that the Board has perused and checked the budget and are in complete accord with the budget as submitted.

Mr. Erdahl asked that Mr. Benedetti, Asst. Director of Public Utilities outline the budget. He also mentioned that many staff members and Division heads are present to answer any questions. He also noted that they have presented a balanced budget even with the salary recommendations for increases or adjustments.

Mr. Benedetti reviewed the entire Utility budget. He noted that the budget includes approx. \$328,000 which the department pays to Tacoma's General fund and that approx. \$2,300,000 is paid by the three operating divisions, Light, Water and Belt Line, in the form of various taxes to the City.

Mr. Benedetti further explained that the Utility's Light Division has by far the largest portion of the budget amounting to approx. \$28,600,000. The Water Division's budget accounts for approx. \$3,700,000 and the Belt Line Railway's budget is approx. \$790,000. The remainder of the budget is composed of the Service Divisions, Director's office and Legal offices. He mentioned there is an employee increase in the the Light Division for 1970, as those positions that were carried on the Cowlitz payroll are now listed under the Light Division as the Cowlitz Project has been closed out.

Mr. Benedetti explained in detail the revenues and expenditures of each division as noted in the budget.

Mayor Rasmussen asked why an industrial physician is employed.

Mr. Benedetti explained that the doctor conducts pre-employment physicals and he is a part-time employee, two days a week for two hours a day. He also explained there is an industrial nurse employed on a full time basis to render help and assistance which might become necessary in connection with injuries, either at the plant, shops or in the field.

Mr. O'Leary asked that Mr. Benedetti explain the expenditures that have to be made relative to the category of Transmission of Power by Others on Page 56 of the Light Budget.

Mr. Benedetti said this involves payment to Priest Rapids power for approx. \$103,000 and transmission expense in connection with the Cowlitz of approx. \$285,600. He also noted at the time the Cowlitz project was constructed, it was planned to construct the transmission lines directly to the City of Tacoma, however, in reviewing all of the costs involved, it appeared that it was more desirable for the Utility Dept. to arrange with the Bonneville Power Administration to use their lines. This provided for economies and at the same time eliminated the need for another transmission line.

Mr. O'Leary also asked what the item on Page 49 entitled "Taxes --County, Wholesale Customer, Credits in Lieu of Tax" meant.

Mr. Benedetti explained that is for the wholesale customer who pays taxes to the County, a 3% rebate of the 8% tax with a requirement that the City will pay only the 3%. In effect, the 5% difference goes to the City.

Mr. O'Leary inquired what made up the \$76,700 under Miscellaneous General Expense on Page 60.

Mr. Benedetti explained there is a Western System's Coordinating Council expense of approx. \$4,400. This is a council that has been formed to prevent regional power outage. The American Public Power Assn. is \$5,500; the institutional advertising portion of that amount is approx. \$39,000 and the Chamber of Commerce \$1,900.

Mr. Zatkovich asked what was the purpose of advertising for the Light and Water Dept. under Sales Promotion on Page 6.

Mr. Benedetti explained that the City Light, public information and institutional advertising is budgeted at approx. \$35,000. This also involves their participation in promotional programs that are carried on in an area basis in cooperation with Puget Sound, City of Seattle and others. There is also promotional activity with National Electrical Week, Fish Program and Recreational Program. The Federal Power Commission also expects the department to do a good job in the recreational area relative to the multiple use of the reservoirs. They also expect the department to come up to their standards in the power production and sales area. Considerable amount of money is spent on advertising for Lake Cushman, Lake Mayfield, Mossyrock, he added.

Mr. Benedetti stated the Water advertising includes publicity and displays on water sheds, tours and promotion for Drilling Water Week. News Letters are also included in this particular item, as well as the Annual Report in conjunction with the General Government report.

Mr. Zatkovich asked what percentage is the breakdown relative to TV and Radio.

Mr. Benedetti stated he did not have this breakdown at the moment but he would provide it for the Council.

Mr. Karl J. Beaty, 2719 So. 62nd, called attention to Sections of the Washington State Constitution which he felt had been violated by the City of Tacoma relative to the use of public funds. He also felt a form of discrimination among city employees has existed for many years.

Mayor Rasmussen asked Mr. Hamilton to check the points that Mr. Beaty had brought out.

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Mrs. Kathryn Haley, 3935 No. Mason, Pres. of Allied Arts, explained the function of Allied Arts in Tacoma. She noted that Allied Arts leases space in the old Public Safety Bldg. for a dollar a year. She also noted there is an allotment for Allied Arts in the amount of \$3,000 but that is not a cash allotment. It is a bookkeeping transaction which is exclusively used for lighting the building. If this aid is withdrawn it would make the organization's continued existence difficult.

Mrs. Haley urged the Council not to cut this aid of approx. \$3,000 because of the many programs which have benefitted the Citizens of Tacoma through the Allied Arts program.

Mr. Bush, 110 Country Club Drive, Pres. of the Tacoma Art Museum, as well as Mr. Richard Moe of P.L.U. urged that the Council continue the aid to Allied Arts.

Mayor Rasmussen asked if there was anyone else in the audience who wished to speak on the budget. No one wishing to speak.

Mr. Zatkovich moved to recess the meeting until Wed. Dec. 3rd at 4 P.M. Seconded by Mr. O'Leary. Voice vote taken. Motion carried.

A. L. Rasmussen - Mayor

Attest: Josephine Melton
Josephine Melton - City Clerk