

CITY COUNCIL MINUTES

City Council Chambers, 7:00 P. M.
Tuesday, October 17, 1961

Council met in regular session. Present on roll call 9: Bott, Cvitanich, Easterday, Murtland, Olson, Forter, Price, Steele and Mayor Hanson.

Mrs. Price moved that the minutes of October 3, 1961 be approved as submitted. Seconded by Mr. Steele. Voice vote taken. Motion carried.

Mayor Hanson asked if the Council had examined the City Council Budget Hearing minutes of October 2, 1961.

Mr. Porter said he noted one correction to be made on page 12, 2nd paragraph wherein it is stated that "Mr. Rowlands said they desire at this luncheon meeting...." He thought, perhaps Mr. Rowlands had specified who "they" were.

Mayor Hanson said he thought perhaps Mr. Rowlands had said "the Mayor desires" as he had made the request that the Manager convey this message, so that the words, "they" be changed to "Mayor."

Mr. Steele moved that the minutes be so corrected. Seconded by Mr. Porter. Voice vote taken. Motion carried.

Mr. Price then moved that the minutes be approved as corrected. Seconded by Mr. Steele. Voice vote taken. Motion carried.

HEARINGS AND APPEALS:

This is the date to which action on the appeal submitted by Arthur Munson for the rezoning of the west side of Yakima Ave. between So. 46th and So. 48th Sts. where Yakima Ave. converges with Thompson Ave. from an "R-2" to a "C-1" District, has been continued. 125
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Mayor Hanson said the hearing on this matter was held last week and in order to give the Council members further time to study the report and examine the property involved, action on the appeal was postponed to this date.

Mrs. Price said she looked at the property and could see no reason why this should be considered a residential area as it is located right on an inter-section.

Mr. Steele moved that the Council concur in the recommendation of the Planning Commission and that the appeal be denied. Seconded by Mr. Porter.

Mr. Murtland said speaking in favor of the motion, the strongest factor involved from his way of thinking is the amount of traffic South Yakima would have, and to have further development along that arterial would be very detrimental to good traffic engineering which is one strong basis for his

considering the denial.

Mayor Hanson said after examining the property, he agreed that it was very difficult to conceive of any type of development for that piece of property. However, there is nothing to indicate the need for this additional commercial zone in the area. Although it will be a difficult piece to develop in any other way, he did not know if that was sufficient reason to overrule the Planning Commission.

Mr. Steele said his observation of the area, having in mind the ultimate development of that arterial route, is that the area concerned in this application; and including the area to the South of which the City owns some 50 feet or so between 48th and the transition curve could be an open area without regard to any development. He could not see the advisability at this time of rezoning so that a service station could be established at that corner as he thought it would interfere with the theory of providing an arterial thoroughfare from the southend of the City. He thought the petition should be denied.

Mr. Porter said the area is approximately 120 to 150 feet from the junction of five different streets and it seemed to him that to allow any construction there that would stop and slow traffic would be a very dangerous thing. In spite of the fact that it obviously is not a suitable place for a residence; for the welfare of the general public he did not think this should be zoned commercial.

Mrs. Olson asked if Mr. Munson was compensated by the City for having his property cut up in this manner.

Mr. Benson, Senior Planner, explained that the owner of the property had been paid \$2000 besides being given additional property along his original property to enlarge his lawn.

Mrs. Price said she felt the Council's concern is to determine this on the highest and best possible use of the land. Personally she felt that commercial zoning would be the highest and best use of the land.

Roll call was then taken on the motion to deny the rezoning resulting as follows:

Ayes 5; Nays 4, Cvitanich, Easterday, Olson, Price; Absent 0.

Motion carried.

RESOLUTIONS:

Resolution No. 16751 (postponed from the meeting of Sept. 26, 1961)

Approving the Urban Renewal Plan and the Feasibility of relocation for Project No. Wash. R-3 of the Fawcett Urban Renewal area.

Mr. Steele moved that the Resolution be adopted. Seconded by Mrs. Price.

Mayor Hanson said this matter is again before us after motion to reconsider.

Mr. Easterday said he was led to believe, at the time of the Center Street Urban Renewal Project when Mr. Jacobson was the Urban Renewal Director, that the store building operated by Mr. Fugi located on the Southwest corner of 27th and Yakima Ave. would not be demolished, but would be offered for sale with the adjacent land. Mr. Easterday said he wanted it spelled out in the plan to have the Emerson Apts. remain. He stated he felt that he would be negligent in his duty if he didn't have this spelled out. He said he could not vote tonight favoring the Fawcett Urban Renewal Plan until such time as it has been referred to the Planning Commission with the instructions to bring in whatever ordinances or resolutions that are necessary so they will not have to destroy the Emerson Apts. and also the Lucerne Bldg.

Mr. Easterday then moved that the Plan for the Fawcett Urban Renewal Project be sent back to the Planning Commission with instructions to retain the Emerson Apartments within the Plan and make what recommendations necessary. Seconded by Mr. Porter.

Mr. Steele asked if provisions for the exemption of the Emerson Apts. could be made in the Plan without referring it to the Planning Commission.

Mayor Hanson said he believed his motion was not to exempt the building but to make such provisions as are necessary to retain it--or to avoid its demolition and destruction.

Mr. Steele said whatever wording, Mr. Easterday and his second would accept, as relates to the Emerson Apts. which is not only the actual building of the Apartments but also the adjacent area to the south, could be accomplished now, by motion so that it could be retained, therefore it would not have to be sent back to the Planning Commission, and adopt the Resolution with an amendment.

Mr. Porter said, speaking as the second of the motion, his prime consideration in seconding Mr. Easterday's motion was that this entire project be referred to the Planning Commission which is where it should have been developed and cleared up as to all details before it came to the Council.

Mr. Easterday said he was informed that they would have to leave 10th Street on Tacoma Avenue vacant on the alley side of the property and they were aware of the fact and were designing accordingly. What he was afraid of was that they will come up against the same "bugaboo" in connection with the Emerson Apartments. For that reason he would like to see it incorporated into the plan unless the Emerson Apartments are taken out of the district all together. He said that is the only assurance that he would have unless they come up with a definite plan as the same rule could apply on the North end of Court E as applies on the South end of Court E. He was concerned over the willful destruction of valuable property. He said he would like to have a plan made and spelled out definitely and positively.

Mr. Steele said he was still of the opinion it would serve no useful purpose to refer this to the Planning Commission. He urged Mr. Easterday to make an amendment to the Resolution to preserve the Emerson Apartments at 902 Fawcett and their adjoining property at 908 Fawcett and the necessary additional property to the south to permit them to meet the general requirements

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of the plan and he would be happy to accept that amendment to his motion to adopt the Resolution.

Mr. Easterday said he would prefer to see it in a base part of the plan and until such time as that is accomplished, he could not vote for the Resolution.

Mrs. Cison moved for the previous question. Seconded by Mr. Porter.

Voice vote taken. Motion carried.

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Mayor Hanson said discussion after the previous question cut off further debate.

Mr. Rowlands said the Council and the public should have this information. As Mr. Easterday has stated, when you are going into Urban Renewal acquisition of properties, often times during the development of the program the Council has the right to change directions depending on circumstances. He said he wants it clearly understood that the Council did acquire the Fugi property by Resolution of the Council, and the Council did direct removal of this building from the area because it was non-conforming, it was substandard and no one seemed to be of a mind to continue in the operation.

Mayor Hanson said, it is also well to point out the fact that this particular piece of property was the topic of extensive discussion by the Council, and it was agreed that if possible it was to be retained, -it was impossible, and it was the Council's authorization that caused destruction; so I fail to understand where Mr. Easterday can conclude that he was misled.

Mr. Easterday said the Resolution was adopted by action of the Council and the property was purchased and it was by Council action that we awarded a contract to a group of wreckers to demolish certain buildings, but the property was not described, as he remembers. He was literally blinded to the fact it was this property. When informed of this, he said he immediately contacted Mr. Rowlands and he sent him the information and he felt that it was done in a regular manner, but yet, he didn't realize that they were letting a contract to demolish the building which he had been led to believe would remain in its entirety and would be offered for sale when the adjacent property was sold.

Resolution No. 16768; (postponed from the meeting of October 10, 1961)

BY REQUEST OF CVITANICH

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Directing the firm of Knight, Vale & Gregory certified public accountants in accordance with Sec. 7.14 of the City Charter to audit all of the accounts and books of the City of Tacoma from the commencement of the government of the City under the present Charter and further provide a comprehensive report of the financial condition of the City for the year 1961.

It was moved by Mr. Cvitanich that the Resolution be adopted. Seconded by Mr. Porter.

Mr. Bott said inasmuch as the Council has already retained the firm of Knight, Vale and Gregory to conduct this audit, he would move that the

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Resolution be tabled. Seconded by Mr. Steele.

Roll call was taken on the motion resulting as follows: Ayes 8; Nays 1, Cvitanich; Absent 0. Motion carried.

Mr. Easterday said he voted for the motion to table but he hoped that another Resolution would come in at a later date, not quite so broad and less costly.

Mrs. Olson said she also voted to table with the understanding that another Resolution will be brought in to provide only that the audit be made for the year 1961.

Mr. Porter asked at this time that a Resolution be brought in for the next Council meeting exactly the same as Resolution No. 16768 but eliminating from the last paragraph the words "from the commencement of the government of the City under the present Charter of the City of Tacoma."

Mr. Rowlands said he had copies of Resolution No. 16740 which was passed September 26, 1961 retaining the firm of Knight, Vale and Gregory which also states in the Resolution "for the purpose of making an audit of accounts and books of the City for the calendar year of 1961, to the extent and as directed by a majority of the members of the City Council."

Mayor Hanson said, perhaps, that Resolution could be sent out with the Resolution requested by Mr. Porter as it might be helpful for the Council.

Mrs. Price said last week she requested that the Council meet with the firm of Knight, Vale and Gregory so the Council could get an idea of what could be done with the amount of money budgeted for the audit and what was desired of them. She said she would like to set a date for such a meeting so these determinations could be made.

Mayor Hanson asked if it would be satisfactory to the Council members if Mr. Rowlands would contact the firm to arrange such a meeting before the end of the week.

Mrs. Price said that she would like to see the meeting set up as soon as possible because she knew it was going to require a great deal of work on the part of the firm and they should be apprized of what is expected of them.

Mayor Hanson said perhaps the meeting could be set for Friday noon unless otherwise notified.

Mr. Porter said he recalled at the time Resolution No. 16740 was passed some of the Council members wished at that time to change the Resolution but the remark was made that later on they could decide what was to be audited and what the cost would be. He believed the Resolution the Council just tabled which was introduced by Mr. Cvitanich, was an attempt to make that determination, and the one which he has requested for the next meeting is similar.

Mayor Hanson said that question will be before the Council at the time the Resolution is presented. Unless otherwise notified the Council will meet with the firm Knight, Vale and Gregory, Friday noon.

Resolution No. 16775: (postponed from the meeting of October 10, 1961)

BY REQUEST OF OLSON

Establishing (6) standing Committees of the City Council charged with the responsibility of determining and fixing policies covering a multitude

of important and complex problems and subjects.

It was moved by Mr. Porter that the Resolution be adopted. Seconded by Mrs. Olson.

Mrs. Olson said she introduced this Resolution after discussing the matter with members of the Council some months ago at the time they discussed a Public Information Officer's position. It was determined that if a public information officer was to be employed, perhaps, it would be well to establish a committee that would help to direct his activities so his services might better be utilized. At the same time there should be some way of forming liason with the Armed Forces and particularly today when there are more troops coming into Tacoma and the surrounding vicinity. She said it seemed entirely proper that the Council should perform some function in working with people at Fort Lewis and McChord in order to make these people feel at home and attract them to Tacoma.

There are also a number of other items that are constantly before the Council at which they spend their time that could perhaps just as well be handled by Committees. She said it was her thought that these committees could review and then recommend to other members of the Council, thereby eliminating the many hours in meetings in which the Council presently finds itself involved.

Mrs. Olson said the City of Tacoma had Council committees under the City Manager form of government when it was first adopted and they seemed to function very well. She believed these committees were abolished after Mr. Rowlands became City Manager, so there have not been Council committees for some time. She felt that the people of Tacoma would be better served by a committee in which a fewer number could get together more often and delve a little more deeply into subjects and make recommendations to the rest of the Council.

Mr. Steele said he had every regard for Mrs. Olson's observations, however, he thought this was entirely unnecessary and would move that Resolution No. 16775 be indefinitely postponed. Seconded by Mrs. Price.

Mr. Easterday said he was in hopes of having the privilege of amending this Resolution to include a 7th committee.

Mayor Hanson said the motion to postpone indefinitely must be decided without debate.

Roll call was then taken on the motion resulting as follows: Ayes 5; Nays 4, Cvitanich, Easterday, Olson and Porter. Motion carried.

Mr. Porter asked that a similar Resolution be brought in for the next Council meeting with the addition of a 7th committee desired by Mr. Easterday.

Resolution No. 16776: (postponed from the meeting of October 10, 1961)
BY REQUEST OF OLSON

Authorizing the Mayor of the City of Tacoma or in his absence the Deputy Mayor, to exercise such Urban Renewal Project powers set forth in Sec. 15 of said Chap. 24, Laws of 1957, and rescinding Resolution No. 15235 passed March 3, 1958.

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It was moved by Mrs. Olson that the Resolution be adopted. Seconded by Mr. Porter.

Mrs. Olson said she had talked to Bob Maffin, Urban Renewal Director, and he advised her that Mr. Ron Thompson, Assistant City Attorney, has come forth with an opinion pointing out that the City Council is presently the local public agency. It was her understanding that the local Public Agency powers had been given to the City Manager under Resolution No. 15235 passed in 1958. She is still of the opinion that this was done. However, Mr. Maffin informed her that the Fawcett City Plan which lists the City Manager as the local public agency is in error. If this is correct, she said, she will move postponement of this Resolution until this question can be resolved and would like to see the Planning Commission undertake that study at the same time they discuss the Emerson Apartments in connection with the Fawcett Street Plan.

Mrs. Olson then moved that the Resolution be postponed until such time as the Fawcett Street Plan is again before the Council. Seconded by Mr. Easterday.

Voice vote was taken on the motion. Motion carried.

Resolution No. 16779:

Fixing Monday, November 13, 1961 at 4:00 P. M. as the date for hearing on L I D 5340 for cast iron water mains in McGhee St. from East 58th to a point 430 feet southerly.

It was moved by Mr. Steele that the Resolution be adopted. Seconded by Mrs. Price.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 16780:

Fixing Monday, November 13, 1961 at 4:00 P. M. as the date for hearing for cast iron water mains in Huson & Ferdinand St. from No. 48th to No. 49th and in North 49th from Ferdinand to Huson. L I D 5341.

It was moved by Mr. Steele that the Resolution be adopted. Seconded by Mr. Easterday.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

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Resolution No. 16781:

Authorizing the proper officers of the City to execute a local improvement assessment deed to James W. and Arvilla E. Weaver for the sum of \$10.00 to clear the title on their property.

It was moved by Mr. Steele that the Resolution be adopted. Seconded by Mrs. Price.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 16782:

Expressing appreciation to A. J. Benedetti for assuming the position of Acting Director of Utilities pending the appointment of a permanent Director, and commending him for the efficient manner in which he performed the duties of Acting Director.

It was moved by Mr. Easterday that the Resolution be adopted. Seconded by Mr. Cvitanich.

Mayor Hanson said he knew that all the Council would be voting wholeheartedly in favor of this Resolution.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 16783:

Fixing Tuesday, November 28, 1961 at 7:00 P. M. as the date for hearing on the vacation of No. 40th St. between Vassault and Whitman Sts. (Petition of Edward P. Miller)

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It was moved by Mr. Steele that the Resolution be adopted. Seconded by Mr. Easterday.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 16784:

Authorizing the proper officers of the City to execute an agreement with the Port of Tacoma in connection with the acquisition, maintenance and operation and financing of the Peninsula Airport.

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It was moved by Mr. Steele that the Resolution be adopted. Seconded by Mrs. Price.

Mrs. Olson asked, in the event there is not enough revenue from the operation of the Airport to retire the revenue bonds, will the City of Tacoma

be under any obligations.

Mr. Rowlands said on page 2 of the proposed agreement, the Port very positively states the following: "The Port does hereby warrant and represent that it has available, or will have available at the time said funds are needed, the sum of \$350,000.00, or so much thereof as may be required hereunder, to contribute toward said airport, acquisition, construction and establishment." This particular agreement has been carefully studied by Mr. McCormick, City Attorney, and by Mr. Binns, the Port Attorney, and he believed that everyone was in agreement that it was the responsibility of the Port to take care of the cost of the bonds when they are issued.

Mr. McCormick, City Attorney, said the City agreed to repay to the Port whatever funds that they advance whether it is by revenue bonds or by some other fund, but the City does not guarantee they will make up any deficiency that may occur each year on the debt service of those bonds, if the bonds are issued.

Mayor Hanson said the repayment only comes out of earnings of the Airport.

Mr. Easterday asked if the revenues from the Airport will be figured after the expense of the operation is deducted.

Mr. Rowlands said this is spelled out on Page 3 of the agreement. Gross revenues pertain to tie-down and open storage and gross rental income from any lease of space in buildings and ground area. The tentative amounts earmarked for those particular items came to about \$6500. The other items listed such as land area use fees, gasoline and oil sales and miscellaneous sources would be net gross.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Mr. Cvitanich said he has consistently opposed the construction of the Airport. He said he heard Mr. Rowlands make the statement at a public meeting that we cannot even break even in the first 10 years of the operation. From where is the money coming to operate the Airport.

Mr. Rowlands said from the City's standpoint the bonds which have been issued and sold for \$550,000 will have to be paid out of the General Fund. There are a number of Airports throughout the Country that are breaking even and making a little bit of money from the standpoint of maintenance and operation. It is difficult for most Airports to take care of their operating expenses and also retire the bonds or set up substantial depreciation accounts.

Mayor Hanson said the financing is set up whereby if there are any earnings the earnings will first go to the retirement of the Port Bonds.

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Resolution No. 16785:

Authorizing the proper officers of the City to appropriate the sum of \$2,005.92 from the Cumulative Reserve Fund for Capital Outlay and Maintenance and Operation for the payment of the third quarterly installment of parking meters.

It was moved by Mr. Steele that the Resolution be adopted. Seconded by Mr. Easterday.

Mr. Rowlands explained that the terms of the contract, payments are to be made quarterly to the Parking Meter Company. This represents 25% of the additional revenues that were collected by the City over the amounts collected the same period last year.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

FIRST READING OF ORDINANCES:

Ordinance No. 16911:

Amending Subsection 1.30.290-2 and Sections 1.30/380 and 550 and repealing Subsection 1.30.290-7 of the Official Code of the City relating to retirement and pensions. Read by title.

Mr. Rowlands said this has been recommended by the Retirement Board which permits employees to enter or re-enter City service after January 1, 1962 to become a member of the Retirement System as of date of entry or re-entry. At the present time the individual has to wait three months. It also permits credit for all Military Service, for some reason the Air Force was inadvertently omitted as a branch of the Armed Services in the original Ordinance.

The Ordinance was then placed in order of final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 16903:

Adopting the annual Budget of the City of Tacoma for the fiscal year 1962. Read by title.

Mr. Murtland said it is possible that he may be the only one speaking in objection to the budget which was passed on Friday, October 6, 1961. However, he added, he is of the understanding that within the framework of the budget the Council has certain margins to follow, therefore, he would like to speak on the matter at this time. He said it has been recorded as early as September 30th

that he did not think the City could afford to base its wage settlements and wage scales merely on the fact that outside wage rates are higher. He also had previously indicated that there should be some thought of a half range increase rather than a full range because he feels that the City cannot afford it. The wages and salaries that will be paid in 1961 amount to \$6,211,617.00. This is a percentage increase of 4.6% over the 1960 salary scale and 80% of the total operating budget. He said if the City is looking for some method to keep from raising taxes or taking money from other sources in order to take care of the City needs they will have to look to wages and salaries. There are certain automatic increases which cannot be avoided, such as usual steps on a year to year basis amounting to \$23,000 for 1962. The cost of pensions, sick leave, medical, etc. are other items which the City must pay amounting to \$1,500,000.00 for 1962. The total amount of a one range increase for all employees for 1962 would amount to \$282,014.00. In addition, there are some who will receive more than a one range increase and this will amount to another \$36,612.00 which totals approximately \$318,000.00 which the City must find from revenues or from additional taxes or must take away from something else. The City is going to have to levy an additional 3% against the Washington Natural Gas Co., an additional 1% against the Pacific Tel. and Tel. Co. which in effect is imposed upon each individual. The City also increased additional use of the street for the Consumers Heating by 1%. The City had to decrease the amount in the Library budget; \$54,000 was taken out of the Retirement System; approximately \$89,000 was taken out of the contingency and equipment fund and one patrolman that was previously budgeted for was deleted. All of this was mainly to pay the \$318,000 and other items such as a public address system for the Council Chambers and increased street lighting.

Mr. Murtland continued that he felt that the Council should look very closely to see if there isn't a possibility that particularly out of salaries and wages that only a half step increase be made and not a full step. He said he thought this should be pointed out to the Council members, that the City will be running into difficulties in the future. In 1963 the City will lose the one mill tax levy from the Firemen's Pension System amounting to \$160,000. In 1963 the City will pay the first on the principal of the Airport Bonds, amounting to \$55,000; this totals well over \$200,000 of the money that the City will not have in 1963. At the time the Council went over the budget item by item he reiterated that he did not feel that the increases were necessary, although he voted for about three increases of which he felt were necessary because there was a difference in salary between the offices involved, and the other raise having to do with bus drivers. He said with that in mind he will have to vote against the Ordinance this evening and also wished to admonish his fellow Council members that when the time comes, and if the opportunity presents itself within the framework of the budget to make some savings, they must do so.

Verbatim as requested.

Mr. Cvitanich: I'm going to vote with Mr. Murtland tonight for a different reason. I do favor the increase for the employees. However, in the budget we have nothing that provides for an independent audit. Now a lot has been said as to what the Council's responsibility is in regard to an independent audit and we have had different interpretations both by former Council members as well as certified public accountants in Tacoma. Now the latest figure that we are given as to the cost of an audit was \$50,000 annually. This would amount to roughly 1/10 of 1% of the total budget of the City of Tacoma. End of Verbatim

Mr. Cvitanich read two articles from the Tacoma News Tribune which went back to October 21, 1952 which he thought might clarify some of the questions in the minds of the Council members as to what their responsibilities are in regard to Section 7.14 of the City Charter.

Mayor Hanson said the interpretation of the meaning of a running audit has been the topic of a great number of discussions; it has been concluded by attorneys and accountants that it is incapable of a precise definition and it is up to the Council to define it. This particular provision has been followed with reference to hiring special accounting firms to go over in a period of time, the entire operations of the City and particularly the finances.

Mayor Hanson said he wanted to be certain that the public realizes that they have a continual supervision of the independent auditing by the State Department of Municipal Government. The State Examiners are constantly auditing the books and the fact the report is compiled at a later date does not take away the fact that the City is under the constant surveillance of the State. Any discrepancy that appears is immediately brought to their attention, and if a satisfactory answer is not given, it is brought to the attention of the Attorney General; so there is complete and absolute accounting. The fact that there are many interpretations of this provision indicates there is a difference in opinion, but he said he could assure the public that a great deal of money is being spent in accounting.

Mr. Cvitanich said the Section clearly states, "all books," and he was sure that this could not be interpreted as "some" and the Council "shall" could not be interpreted as "maybe" or "some time." The Council is trying to abide by the Charter and if the Charter specified and calls for this, he did not think there was anything left to debate about.

Mr. Porter said he has obtained an opinion that the Freeholders felt that in providing this audit it was a method in which the Council had of checking on the Manager from time to time if they should want to do so, and this was to provide that the Council would be able to hire a firm of independent auditors. He thought it was perfectly obvious to anyone if the Council is going to use this audit provision for that purpose, the Council should pick the firm of auditors; they should send out the questionnaire to select the firm of auditors, and then they should interview the auditors themselves, and pick the firm, and instruct them what is to be done. In every case the Manager and the staff has sent out the prospectus and recommended the firm of auditors and the Council has gone along with the recommendation. He said he felt that the Council has not accepted its obligation to use this Charter provision to pick the auditors to make this check.

He believed, as Mr. Cvitanich has stated, that it was time the Council was accepting its obligations and using this audit provision to make that check.

Mrs. Price said for the record one clarification should be made, and that is, prior to the time that any present member of the Council was elected to this Council, the firm of Lybrand, Ross Bros. and Montgomery of Seattle was hired by the previous Council to perform this audit; and at a later date the same firm was retained on a yearly basis. In March or April of this year the present Council decided that the firm of Lybrand, Ross Bros. and Montgomery should no longer be retained but that a local firm should be hired to perform this audit. That Resolution was adopted by this Council; the firm has been hired and now it is up to the Council to instruct them on the audit that is to be done. The firm of Lybrand, Ross Bros. and Montgomery did perform audits in departments that were suggested and recommended by the Council, not only this Council but the previous Council, and they also made recommendations for improvements in auditing and financing and setting up records in various departments. Now whether there are members of the Council who do not feel that this particular section of the Charter has been complied with, that is their opinion; however, there was an opinion of the City Attorney that this could be done and was done.

Mr. Cvitanich said, granting that there has been an audit by Lybrand, Ross Bros. and Montgomery. However, referring back to Section 7.14 of the Charter, "all" doesn't mean "some" and "shall" doesn't mean "maybe"; the language is pretty clear in this respect.

Mrs. Price said again she would like to state that the Council had a number of meetings with a committee of the certified Public Accountants' Association of Tacoma and attempted to obtain from them the meaning of a "running audit". They had never heard of the word "running audit". They wrote to the National Association of Public Accountants and found out that they did not know what the term meant either. So the Council is in a dilemma just as to what is meant by a running audit. Perhaps, it would be well if some of the members who set up the Charter and put that particular section in would explain exactly what they had in mind.

Mr. Porter said undoubtedly no one ever seems to agree as to what "running audit" means. However, the second sentence in the audit provision of the Charter seems to be quite clear to everyone - "A comprehensive annual report on the financial condition of the City shall be prepared by such firm which shall be submitted to the Council and open to public inspection." And also the first sentence, "The Council shall provide for a running audit of all accounts and books." Perhaps the Council does not know what "running audit" means but they certainly know what all accounts and books mean and what audit should mean.

Mayor Hanson said the daily condition of all the accounts in the City can be obtained by any Council member on request at any time. There is an absolute accounting of all monies. The matter before the Council now is the formal adoption of a budget that was compiled after countless lengthy meetings where all areas of government were reviewed in detail, increases were granted after thorough analysis of what the positions justified. The Council has the responsibility of providing a budget for the City of Tacoma. They must take action tonight to conform to State Law. If a majority of the Council were to come to

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a conclusion that they did not like an item in the budget, and therefore, were going to vote against it, they would not be conforming to State Law and therefore would not have a budget and would be failing to perform their responsibility. Voting for the budget does not necessarily mean that a Council member endorses every specific item of the budget.

Mr. Easterday moved the previous question. Seconded by Mr. Steels. Roll call was then taken on the Ordinance, resulting as follows:

Ayes 7; Nays 2, Cvitanich and Murtland; Absent 0.
The Ordinance was then declared passed by the Chairman.

Ordinance No. 16904:

Fixing the amount of tax levies necessary to raise the amount of the estimated expenditures for the General Fund and for the payment of principal and interest upon the general bonded indebtedness of the City of Tacoma for the year 1962. Read by title and passed.

Roll call was then taken on the Ordinance, resulting as follows:

Ayes 9; Nays 0; Absent 0.
The Ordinance was then declared passed by the Chairman.

Ordinance No. 16905:

Authorizing the condemnation of property in the area of the Puget Park Gulch for storm drain trunk lines. Read by title and passed.

Roll call was then taken on the Ordinance, resulting as follows:

Ayes 9; Nays 0; Absent 0.
The Ordinance was then declared passed by the Chairman.

Ordinance No. 16906:

Vacating the alley between Pearl & Visscher Sts. from No. 45th to No. 46th Sts. (Petition of C. A. Hogan) Read by title and passed.

53:167
54:192

Roll call was then taken on the Ordinance, resulting as follows:

Ayes 9; Nays 0; Absent 0.
The Ordinance was then declared passed by the Chairman.

Ordinance No. 16907:

Amending Sec. 1.18.040 of the Official Code of the City by adding a new section 1.19.010 in reference to the Mayor and Councilmen's salaries. Read by title.

Mr. Bett moved that action be delayed on the Ordinance for two weeks.
Seconded by Mr. Porter.

54:17b

Roll call was taken on the motion resulting as follows: Ayes 3; Nays 6, Easterday, Murtland, Olson, Price, Steele and Hanson. Motion lost.

Mr. Murtland moved to amend the Ordinance to provide the pay of the Council members to be \$2400 per year instead of \$4800 and the Mayor's salary \$10,000 instead of \$12,000 per year. Seconded by Mr. Steele.

Mr. Murtland said it has not been obvious to the public as a whole as to the position of at least two councilmembers on this particular question; he said, it so happens that Mr. Steele and he have opposed the raise. However, his reason for making this amendment was that first, he doubted if a smaller salary would be agreeable to the majority of the Council. Secondly, the adoption of \$25 per meeting or a maximum of \$1200 per year was passed in 1952 by the Freeholders and was ultimately passed by the voters. Mr. Murtland said the philosophy of our form of Government is on a basis of not that they shall be compensated for every hour that they might spend on a matter but he still feels as long as there is some compensation, it should be more in line with the going time or what might be considered as appropriate now as opposed to what it was in 1952. For that reason he moved the amendment and asked the Council to consider \$200 a month which he thought was not out of line for the amount of time it does take. In reference to the Mayor's salary, he added, he has watched the Mayor work and realizes how much time he puts in. The Mayor must attend functions at Fort Lewis, McChord Field and sometimes at Bremerton. He said he feels the Mayor's office is not only time consuming and takes him away from his private business, be he an attorney or a fuel oil dealer, he would still have the same basis of time that would be required. He said he was not talking about the individual but the position. To say this is a full time job is not right because the Mayor can have and is allowed to have outside work in other words a business of his own. So in trying to evaluate the salary he said in his own opinion he thought \$10,000 a year would not be exorbitant compared to the time spent,

Mr. Easterday said last week he offered an amendment similar to Mr. Murtland's amendment which failed for want of a second. This was on the assumption to pay \$25 for each meeting attended but he was informed that it might be possible for a member to absorb the \$2400 in the first few months.

Mr. Steele said he would like to mention that it was two weeks ago that he made a motion to amend the \$4800 figure to the \$2400 figure having in mind that he too, as Mr. Murtland, was on the Freeholder Committee of 1952 at the time the \$25 a meeting was recommended. Mr. Steele added, due to the extra meetings that the Council members put in other than the regular Council meetings, he thought a suitable compromise would be on the basis of \$2400 a year, or \$200 a month. As far as the Mayor's salary is concerned, he added, he thought his salary should be as much as possible.

Mr. Bott remarked that he thought the position of Mayor should be equated with that of a department head so he was in favor of Mr. Murtland's motion only with the recommendation that the Mayor's salary be raised to \$12,000.00 per year and he so moved to amend Mr. Murtland's motion.
Seconded by Mrs. Price. Mr. Bott said he might also state that none of the present Council will benefit by any of the increases unless they are re-elected.

Mr. Cvitanich said the local press has indicated there has been numerous reasons why the Council and the Mayor wanted a raise in salary. Part of this assumption was that they will be busybodies snooping around the building and checking into the City Manager's function. He said he would like the audience to know as well as the Council that the Charter quotes, in part, "except for purposes of inquiry", this is one duty of the Council to check occasionally. That is what they are elected to do. The last time this salary discussion was brought up there were 7 Councilmen that advocated the raise. He thinks the office of the Mayor is entitled to the salary proposed and feels that the Council members in the future should be compensated for their services. Due to the mass hysteria that has been generated in the local media he could see no reason in the world whatsoever to change his mind on the matter.

Mr. Porter said he intended tonight to vote on the prevailing side so that he could move to reconsider next week.

Roll call was taken on Mr. Bott's motion to amend Mr. Murtland's motion regarding the Mayor's salary from \$10,000 to \$12,000, resulting as follows: Ayes 8; Nays 1, Murtland; Absent 0. Motion carried.

Mr. Cvitanich said prior to voting he intended to vote in favor of the salary increase for the Council to \$400, the State Legislature granted the power to the Port to increase their salaries. They hold 4 meetings a month; they receive \$300 a month. He did not think \$400 is out of line as far as the Council is concerned because of the number of meetings they attend. He said he realizes they all knew what the pay was when they took office, but as Mr. Bott stated earlier, no one of the Council at the present time will benefit by the salary increase. This is for those that are elected in the future. To date, he said he hasn't seen that those 3 Port Commissioners who raised their salary to \$300 have posed any threat to their Commissioner, so he did not see that this would threaten the City Manager form of Government.

Roll call was then taken on the amended motion to grant \$2400 a year salary to the Council members and \$12,000 a year salary to the Mayor, resulting as follows: Ayes 7; Nays 2, Cvitanich and Murtland. Absent 0. Motion carried.

Mr. Murtland said he will vote against the motion on the basis that he still feels that his attempt to equate on the Mayor's salary is proper.

Mr. Charles T. Battin, a former Councilman, spoke in protest of the salary increases. He said of the 37 cities in the same population range and with the same form of government as Tacoma, 25 cities pay \$1200 or less to their councilmen and only one pays \$6000 to the Mayor. San Jose, Calif. one of the fastest growing cities on the west coast with a population of 214,000 pays its council and Mayor \$260 a year. Dr. Battin said he would predict that every Council member who voted for this Ordinance would be voting his defeat in the next election.

Several other members of the audience spoke giving their views; Mr. Ted Grenley, Mr. Otto Dynaski, Mr. Wm. Smith, Mrs. Ruby Wayne, Mr. Archie Carter, Mr. Henry Carlbon.

Mayor Hanson asked to be excused for 10 minutes at this time as he was scheduled to make a speech at the Armory.

Mr. Porter, Deputy Mayor, assumed the Chair in the absence of Mayor Hanson.

Other members of the audience speaking were Stanton Warburton, Jr., Mr. Johnson, Mr. LaFlaur, Mrs. Botts, Mr. Harvey and Hans Lavik.

Mayor Hanson returning at this time and assuming the chair.

Mr. Ketler, representing the Joint Labor Committee, said he felt for a City Council to do a good job, they certainly should be given enough money to pay them for what they are doing. He thought the City Council should pass the \$400 a month salary. The Joint Labor Committee, who represent the City employees of which he is Secretary, has taken this position; they know what the Council is doing as they attend the meetings regularly and believe that Council members are entitled to more compensation.

Mr. Robert Medved said he thought people were making too much out of this raise, and that the Council members were well worth this salary. However, his concern was that 7 Councilmen voted for this \$4800 raise. However, after the survey was taken by the local newspaper all but one backed down. He said he was more concerned about this than the raise - if this is a city where the "newspaper is calling the shots we are really in trouble."

Mr. Porter said he had already pointed out that he was going to vote on the prevailing side this evening only in order that he may move for reconsideration next week. He has not changed his position, which he will state next week when he has the opportunity.

Mayor Hanson said there being no further discussion, the Ordinance as amended is now before the Council.

Mr. Cvitanich said since he believes the Council is entitled to \$400 a month compensation and the Mayor \$12,000 a year, he will vote "no" on the Ordinance.

Mr. Murtland stated, before voting he would like to explain his vote. He said, it is not because the present Ordinance as amended is different than what he suggested but because as far as he was concerned he had hoped to achieve, if possible, no increase in salaries; therefore, he is voting "no".

Roll call was then taken on the Ordinance as amended, resulting as follows:

Ayes 7; Nays 2, Cvitanich and Murtland. Absent 0.

The Ordinance was then declared passed by the Chairman.

Mr. Porter said once again, having voted on the prevailing side, he gave notice that he would move to reconsider next week and if that motion carries, will then move to set over action for one week until this matter is more thoroughly decided.

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Ordinance No. 16908:

Approving and confirming the Assessment roll for L I D 3503 for sanitary sewers in the vicinity of Geiger St. to Mountain View, So. 8th to So. 19th Street. Read by title and passed.

Roll call was taken on the Ordinance resulting as follows:

Ayes 9, Nays 0, Absent 0 .

The Ordinance was then declared passed by the Chairman.

Ordinance No. 16909:

Providing for the improvement of L I D 3531 for sanitary sewers in So. 96th from L to Sheridan Streets. Read by title and passed.

Roll call was taken on the Ordinance resulting as follows:

Ayes 9, Nays 0; Absent 0.

The Ordinance was then declared passed by the Chairman.

Ordinance No. 16910:

Providing for the improvement of L I D 6786 for Street lights in the vicinity from Adams to Washington from So. 12th to 19th Streets. Read by title and passed.

Roll call was taken on the Ordinance resulting as follows:

Ayes 9, Nays 0; Absent 0.

The Ordinance was then declared passed by the Chairman.

REPORTS:

Discussion of Sales Tax Initiative sponsored by the Association of Washington Cities.

Mayor Hanson said the report will be discussed in detail at a later meeting.

ITEMS FILED IN THE OFFICE OF THE CITY CLERK:

- a. Report from the Municipal Court for the month of September 1961.
- b. Report from the Fire Dept. for the month of Sept. 1961.

COMMENTS:

Mrs. Price asked that Mr. Gaisford, Finance Director, give a resume in regard to the report made by the firm of Lybrand, Ross Bros. and Montgomery.

Mr. Gaisford: (Verbatim as requested by Mr. Cvitanich)

Lybrand, Ross Bros. and Montgomery were hired by the City in 1954 and under the direction of the City Council at that time they laid out the program for Lybrand Firm to follow through no direction of the Finance Dept. but fully upon their own.

I might say that the Independent Auditors who were hired from 1954 to 1961 were given projects by the City Council.

At the present time the Finance Dept. is auditing 21 separate departments of City Government. They are keeping complete control on all expenditures and all revenues that come into the City, and prepare reports to be submitted to the City Council and the public at large who are interested in the reports, once a month.

Lybrand's projects were to come into the City of Tacoma and take department by department, year by year until the entire City was given a complete audit. These reports are now on file with the City Clerk of the City of Tacoma and are open for public inspection. They came in with tremendous criticism in their beginning; they had a tremendous amount of knowledge to learn in the operation of municipal government. A municipal government is operated under certain factors, namely number (1) is your State Laws; number (2) your City Charter; number (3) your Ordinances adopted by the Council and the Resolutions adopted by the Council. And every action that is done by the Finance Dept. in regards to the operations of finance, in expenditures and revenues will have some connection with either your State Law, your Charter, your Ordinances and your Resolutions. These particular factors were completely gone over by the Lybrand Firm during the some six odd years that they conducted their audit. I would say that approximately 80% of the suggestions made by the independent auditors have been instituted in City Government and as far as the Finance Department, on any type of audit, we welcome an audit.

At the present time we have two Examiners that are resident auditors: one at the Utilities Dept. and one in our office. They are hired by the State under the Division of Municipal Corporations. They have no direct connection with us. They do not report to the City Council. They do not report to the Finance Dept. They report to Cliff Yelle and the State Attorney General and their comments are so directed to the City Council for their appropriate action, and from those facts that are coming out from those types of audits, its from the direction of the City Council we take what corrective action is necessary.

As far as our particular operations go, there is not one dime of revenue that comes into the City of Tacoma that is not audited. We have approximately 80 odd thousand utility bills that are coming through - for light, water, sewer and garbage. Those are audited daily. They have one complete person working nothing but utility audit on utility billing. The balance of the monies that are coming through from the City Treasurer are completely audited. They are audited and reflected back and balanced back to the City Treasurer's cash. In our division we have at the present time, two accountants that are working on nothing more than the operation of some 90 odd separate funds throughout the City of Tacoma. The reports--we have a daily

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report on the complete activity of the City Government as to the revenues received and expenditures. Our records are open to public inspection. There is only one record that is not open to public inspection and that is the Business and Occupational Tax. All other records, including salaries, expenditures paid out for every item that is purchased for the City, is open to public inspection and at any time that any citizen is interested, all they have to do is drop in at the second floor of the County-City Bldg. and we will be happy to cooperate with any information necessary.

Mr. Bott: (Verbatim as requested.)

I would like to make a statement relative to an editorial in the local newspaper in the hope that at least those present will be properly apprised of my position on the subject referred to. This would have been more "appropo" before we had voted, but I have reference to the Editorial of October 16, 1961, and I quote, "What is happening here is another drive to subvert the City Charter, its letter and spirit. The goal is to weaken the present structure of Tacoma's Council - Manager form of government. What's on the horizon. No one knows, but it is possible that a head next will be in the Police Department. The pressures for an open town are still present, but to accomplish all of this, the City Manager must go first. It's time for the public to rise up and speak." End of quote. Some editorial writer is evidently endowed with psychic powers of those of a soothsayer and he feels he can attribute to others motives and objectives, of which they are not themselves aware, and since no newspaper representative has taken the trouble to ask my view, I feel moved to do as he suggests, rise up and speak, although I am sitting and speaking. First of all, let it be known that I have no intention whatever of upsetting our form of government. I ran for the office under the Council Manager form of government which is what the majority wanted as evidenced by the fact that they voted it in. Until such time as the majority of the voters vote otherwise, I shall wholeheartedly support it. As to my position on the City Manager, I respect the integrity and ability of our City Manager, Mr. Rowlands, and since seeing him in action I have gained the highest regard for him, and as long as he continues his outstanding performance, I have not the slightest desire to see him replaced. Now as to our Police Dept. - We have one of the finest departments in the Country. Manned and directed by capable, intelligent and alert men who consider it a profession and not just a job. It's a shame that such a department is used as a red herring. I heartedly endorse their policy of strict law enforcement. In regard to the pressures that are put on for an open town. Maybe I should feel complimented because I have never been pressured by anyone in reference to an open town and any advocate of such policy might rightfully assume that I oppose such a condition which I do. Now the only pressure that I have been exposed to has been

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a concerted effort by a group of highly respected women who violently oppose Urban Renewal in any form. And as to my stand on the salary increase for the Mayor and the Council, I think it is justified. I draw your attention to the fact that none of the present Council nor the Mayor can benefit by any part of the increase unless they are re-elected, and that is entirely up to you, the voters, to determine. Meanwhile I shall strive my utmost to fill the obligations of my office and such a determination as this is one of them. Thank you. (End of verbatim)

Mayor Hanson thanked Mr. Bott and congratulated him on the excellent statement.

Mr. Murtland said he would like to make a statement that, perhaps, he should have made long ago since it might clear up something in the minds of the people as to where he is on the Urban Renewal vote. There has been some question raised as to the propriety, both legal and personal, of his refraining from voting on the Resolution concerning the Fawcett Street Urban Renewal Project. He said he had thought he had made it sufficiently clear that he could not do so by reason of an interest in property which is a part of the proposed Urban Renewal area; but such does not seem to be the case. He has been called by both the proponents and opponents of this plan and has been asked, threatened and cajoled to cast his vote. He has been accused both privately and publicly of lacking moral courage of making the decision. He voted several months ago in favor of a study of this area in order that a plan could be suggested if such was needed and available. This did not mean that he either favored such a plan or was against it. But as he said at the meeting of September 19th, it is the duty of the City Manager and of the City Council to explore all possible avenues that might lead to a better development of this City. Then on September 26th he voted to reconsider on the basis that there was at least one member of the Council who expressed herself that she was confused and awaiting information from other communities on the subject. Then what a mess he got into, he said. Two of the Council members attempted to declare his vote illegal, to constitute misconduct in office and even threatened to have the Attorney General review with the possibility of legal action against him. A third member asked for the City Attorney's opinion as to whether his vote was legal supposingly with the same end in view. He said he has a copy of that opinion and it was determined by our City Attorney that as a motion to reconsider was not a principle motion and certainly not the one to establish the Urban Renewal Project under the State Law, his vote was legal; but the plan as now proposed will have to do without either his endorsement or his opposition. Mr. Murtland said he has obtained from the City Attorney an opinion regarding whether or not he has an interest in the Fawcett Urban Renewal area sufficient to disqualify his vote on the Project. This opinion states that his interest is such that it disqualifies him from acting on the proposed Resolution. The City Attorney has advised further, that his vote may be challenged and if disqualified, of course, the plan is no farther ahead. He said he has asked the City Manager and his opinion is the same.

He has asked the chief opponent to the plan on the Council and he has said the same. He has asked himself, if he would be fair as well as legal to both sides of this issue were he to vote and the answer has always been "no", and so citizens, he said, he must abstain when the vote comes up. He said he has wanted to present his position because he has had nothing but both sides badgering him.

Mr. Easterday said he too has been contacted numerous times by opponents and proponents of this Urban Renewal Plan as no doubt have all the other Council members. It's been a difficult situation and he has stood for his principles on this thing and will continue to do so as he stated earlier in the meeting.

Mayor Hanson said an item from the Retirement Board came in after the study session and the Retirement Board Executive Secretary asked that it be presented to the Council for review prior to further discussion on the matter.

Mr. Homer King said with regard to Urban Renewal, he has favored Urban Renewal if it is efficiently conducted. Before action is taken on the Fawcett Avenue Project, he believed the local Urban Renewal Office should make a segregated statement to the Council and citizens showing the actual progress made with the Center Street Project.

Mr. Porter said he has had calls about quite a few meetings in the past few weeks where members of the Urban Renewal Department primarily or perhaps some other City employees have been speaking to various people. Several persons thought it was not proper for City employees to try to brain-wash them and get them to put pressure on the Council as to their vote on Urban Renewal. Therefore, at this time he would like to ask that the Manager furnish him in writing a complete report as to all meetings attended by all the members of the Urban Renewal Department in the past 30 days, where and whom they spoke to and approximately what length of time. Perhaps he would decide as a result of this that they have not exactly been using the time which they are being paid for in the proper manner.

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Mr. Rowlands said he would be very happy to give that report to Mr. Porter. It's quite commonplace for various groups throughout the City to ask various department heads, the City Manager at times, to give talks before their groups. Obviously the Urban Renewal question is of interest at the present time and he knew the staff has been called upon to explain what has been done to date.

Mr. Porter said he realizes this. However, if this has been used as an effort to try to give the public one side of the picture and convince them this is the whole side and then get them to use their pressure on the members

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of the Council to influence their vote, he feels this is not proper. He feels that the public should have both sides of the question so that they can make up their minds with all the information necessary

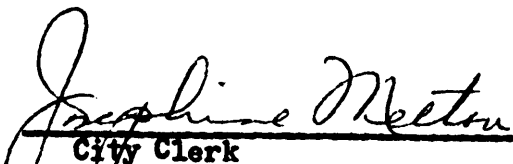
Mrs. Kenneth Wagner a member of the audience said she was a member of one of the groups to which a member of the Urban Renewal Staff spoke, and she thought that he presented very fairly what the purpose of Urban Renewal was, its history in the City of Tacoma, and what the responsibilities of the Council and the Manager were and where the Urban Renewal stands at the present time.

* * * * *

There being no further business to come before the Council, upon motion duly seconded and passed, the meeting adjourned at 10:30 P. M.


Mayor of the City Council

Attest:


City Clerk