

CITY COUNCIL BUDGET HEARING

Monday, October 2, 1967
City Council Chambers, 7:30 P. M.

Present on roll call 3: Egan, Finnigan, Haley, Herrmann, Johnson, Murt
Price and Mayor Tollefson. Absent: Cvitanich. Mayor Tollefson presided.

This is the date set by State law for the hearing on the budget for 1968.

Mayor Tollefson greeted the audience and thanked them for showing an interest in the operating plan of the City for 1968.

Mayor Tollefson explained that the budget sets the fundamental policy for the City of Tacoma with regard to projects for the year, pay scales, policies and the general development of the City in a regular work program. He added, various department Directors of the City, particularly the Manager's staff, Department of Finance and Personnel will explain the funds that were available in 1967 and the anticipated income for 1968 and generally the areas in which these funds will be expended. In perusing the budget the City has an increase in revenue for 1968 as compared to 1967. Some of this comes about by the natural increase in growth of the City, which in turn brings in a larger amount of revenue. The largest increase is reflected by reason of the efforts of the City in cooperation with all of the Cities in the State of Washington to gain recognition of the problems confronting cities, not only in the State of Washington but throughout the entire United States.

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Mayor Tollefson continued, Tacoma is in a rather unique position because of the fact that it is much younger than most of the cities east of the Mississippi River. For instance, Boston Mass. was founded two hundred and fifty years before Tacoma was founded. Yet, the problems in New York, Philadelphia, Boston, etc., in some respects, are the same as the problems in Tacoma.

This year at the Legislature the cities of the State of Washington gained, perhaps, their most significant advancement as far as the State is concerned, in the recognition of city problems, as they had an opportunity to consult and cooperate with the legislators and the Governor's staff relative to the problems of cities and as a result a grant, over a period of two years, to be apportioned according to population and services, was given in the amount of \$22,000,000. In the 1966 budget, it is noted that Tacoma's proportionate share is approximately \$1,100,000. However, when the details are examined, Tacoma received more money for specific projects than was received for the general fund. Attention should be directed specifically to City arterial street funds. These funds cannot be diverted to other uses.

Again, the greatest expenditure out of the budget are the funds directed for the payment of City employees for the services they render. This attempts to reflect an equivalent wage with regard to payment received in private industry, Federal and County employment, and the City attempts to match these salaries. The Council has been committed to a policy for a number of years-equal pay for equal work.

Mayor Tollefson asked that Mr. Rowlands, City Manager, explain the budget in detail.

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Mr. Rowlands, City Manager, thanked all persons who have contributed to the compilation of the 1968 budget. He outlined the budget of 1967 and for 1968 including the various utilities.

1968 PROPOSED BUDGET

	1967	1968
General Government	\$14,422,411	\$19,135,587
Employees Retirement	2,275,219	2,493,152
Equipment Rental "A"	534,630	617,401
Equipment Rental "B"	60,000	60,000
Public Works Revolving	625,966	535,036
Greenball Park Revolving Fund	31,000	20,215
Economic Opportunity Revolving Fund	237,730	365,491
Garbage and Refuse Utility	1,203,100	1,417,821
Water Utility	1,599,024	1,648,264
Sewer Utility	1,968,715	2,055,526
<u>Sub-Total General Government</u>	<u>\$22,963,795</u>	<u>\$28,349,503</u>
Light Utility	\$20,253,500	\$21,917,690
Water Utility	3,010,710	3,122,759
Belt Line Railroad Utility	747,365	655,620
<u>Sub-Total Utilities</u>	<u>\$24,011,575</u>	<u>\$25,696,069</u>
TOTAL--CITY OF TACOMA	\$46,975,370	\$54,045,572

Mr. Rowlands pointed out that many of these are revolving funds and include the utilities which are self supporting. Revenues by sources over the amount received in 1967, as follows:

ADDITIONAL REVENUES
1968 over 1967

PROPERTY TAXES		\$ 96,003
General Fund	\$ 45,428	
General Bond and Interest Redemption	(17,569)	
Fire Pension	108,124	
B & O TAXES, LICENSES AND PERMITS		324,097
B & O Taxes	306,466	
Business Licenses	12,001	
Permits	5,630	
UTILITY TAXES		212,622
Garbage and Refuse	9,181	
Sewer	7,126	
Light	185,000	
Water	9,800	
Belt Line Railroad	1,515	

USE OF STREETS		11,000
FEES--FORFEITURES		1,000
USE OF PROPERTY AND MONEY		50,005
Interest, Rent (General Fund)	45,600	
Interest (Arterial Fund)	5,400	
Fees, Fines (Library Fund)	(995)	
DATE-COLLECTED REVENUES		3,629,600
Liquor Board Profits	105,972	
Liquor Excise Tax	51,409	
Motor Vehicle Tax	91,956	
State Aid to Cities	1,117,000	
State Gasoline Tax (C.S.)	111,755	
Lift Bridge Reimbursement	7,771	
State Gasoline Tax (Arterial)	76,066	
State Gasoline Tax (Urban Arterials)	2,066,700	
State Fire Insurance Premium	1,044	
CHARGES FOR CURRENT SERVICE		87,630
Municipal Services	7,650	
Reimbursements (Federal, State, County)	79,980	
OTHER REVENUES		210,493
Includes misc. revenues, employee pension contributions		
UNEXPENDED BALANCE (SURPLUS)		<u>94,228</u>
TOTAL		<u>\$ 4,716,751</u>

Mayor Tollefson pointed out that the fixed millage that the City receives for its general fund from the property tax is 16 mills. The Firemen's Pension Fund will receive 2 mills of this for 1968, leaving 14 mills for the general fund operation. The Park Board which is a separate municipal operation was receiving sometime back 3 mills, however, over a period of years the Legislature has taken the 3 mills and used it for other purposes, and the Park Board, as such, receives no direct income, by reason of millage from the State. The City of Tacoma has committed itself to absorb that 3 mills so the Park Board would not have to ask for millage each year. Therefore this leaves 11 mills that go into the general fund from property taxes. He noted the real property taxes do not carry the load.

Mayor Tollefson further explained that bond issues that have been voted upon will amount to approximately 5.68 mills, all of which millage is used to repay the bonds. Millage is fixed by law and the City has no legal right to assess a millage.

Mr. Rowlands continued his explanation of the budget relative to additional expenses, as follows:

ADDITIONAL EXPENDITURES
1968 over 1967

<u>CLASSIFICATION</u>		<u>AMOUNT</u>
SALARIES AND WAGES		\$1,264,383
1968 Salary Recommendations	\$637,517	
Additional Personnel	342,634	
Sick Leave & Vacation Relief	4,725	
Overtime	54,782	
Readiness Pay	37,980	
Vacation and Sick Severance Pay	500	
Shooting Pay	1,000	
Holiday Pay	100	
Elimination Steps 'A' & 'B'-Police & Fire	56,940	
Within-range salary increases	44,597	
2 additional days per employee	83,608	

Mr. Rowlands explained that the largest additional expenditure for 1968 over 1967 fell in the wage classification. He added that the Personnel Dept. makes an extensive study each year and then various recommendations are made to the Council.

Mr. Sankovich, Assistant City Manager, explained that total additional personnel equals about 59 1/2 employees. However, out of the 59 1/2 additional personnel, 19 1/2 employees will be paid out of funds from the urban arterial program and the city street fund. The general fund will be charged for salaries for only 40 employees.

Mr. Rowlands mentioned there is now a 5-step police & fire pay scale. By elimination of steps a & b, \$56,940 will be needed because the employees in those two steps will be automatically advanced to the next step. Also there is an increase amounting to \$44,597 due to the salary range increases for city employees advancing through the steps. In 1968 there are two additional days of pay and this amounts to \$83,608.

<u>MAINTENANCE AND OPERATION</u>		307,864
FICA	16,990	
Health and Welfare	7,709	
Industrial Insurance and Medical Aid	4,787	
Pension	66,371	
Puget Snd. Air Pollution Control Agency	15,350	
City Hall Annex Demolition	50,000	
Training	22,536	
Uniforms	7,576	
Street Signing	20,000	
Group Life Insurance	20,345	
Miscellaneous	76,200	

Mr. Rowlands remarked that the largest item in the M & O Category is for pensions for employees in the amount of \$66,371.00 which includes a request for escalation of 1% for employees under the City Retirement Plan

The item of \$15,350 for Puget Sound Air Pollution Control Agency will provide for pollution control of this area as Tacoma is now a part of the regional area and the City will not have to continue to operate as a unit.

Training costs in the amount of \$7,576 is for the in-service training program. It is felt this was money well spent as it will give employees an opportunity to advance.

Mr. Rowlands added, the Group Life Insurance program involves a program whereby the employers will pay for half and the City will contribute the other half. This is common in private industry and governmental agencies. The simultaneous item of \$65,200 is the cost of fuel, telephone etc. for general government.

Mayor Tollefson remarked that the City receives the authority to control pollution from the State government. He noted this year the cities of the area attempted to obtain an enactment of a reasonably strong and effective air pollution control statute. Such a statute was not approved. They did give authority to particular regions to form air pollution control commissions, however

TOTAL OUTLAY		\$310,573
LID, Curb Cut Back, Storm Sewer Replacement, Old Town Floats and restroom	150,402	
Fire Headquarters Furniture	12,321	
Traffic Signal Participation	7,500	
Traffic Signal Equipment	4,000	
Aircraft Service Apron	19,800	
Cumulative Reserve for Capital Outlay and M & O	37,536	
Specialized Movable Equipment	44,104	
Stationary Equipment	13,945	
Office equipment, furniture & fixtures, etc.	20,965	

Mr. Rowlands pointed out that the largest item in the Capital Outlay category is the \$150,402 for L I D participation. Cumulative Reserve for Capital Outlay and M & O in the amount of \$37,536 includes \$20,000 for an aerial truck. He felt the other items were self explanatory.

INTEREST AND DEBT REDEMPTION (57,084)

Mr. Rowlands explained the Interest and Debt Redemption amount of (57,084) indicates a slight decrease for 1968.

OTHER EXPENSES		2,887,450
Library	70,721	
Metropolitan Park District	59,500	
Tacoma Humane Society	5,223	
Arterial Street	234,100	
Urban Arterial Street	2,308,738	
Police Pension	65,000	
Fire Pension	114,168	
Transit Subsidy	30,000	
TOTAL		<u>\$ 4,713,186</u>

Other expense items amount to \$2,887,450 are over and above what was received in 1967. The larger items of Arterial Streets and Urban Arterial Street funds, can only be used for arterial streets. The Police & Fire Pensioners are on an escalated scale and as salary increases are given for the active personnel, pensioners automatically receive one-half of the increase.

In the Transit subsidy item, if normal replacement of buses were allowed, another \$50 to \$60,000 would be required; if the repayment of the loan were included, another \$120,000 would be added.

ADDITIONAL NEEDS

Transit Subsidy, loan repayment	\$698,000
Police - 20 patrolmen	165,000
Fire - 10 firemen (2 hour reduction in duty hours 54 to 52)	82,500
Public Works	
10 Street Maintenance Positions	60,000
LID Participation (Street Sidewalk and Light)	200,000
Arterial Street Participation (Gas Tax)	225,000
Paving Participation	50,000
Right-of-Way Acquisition (Streets)	75,000
Street Realignment	150,000
Dangerous Building Demolition	150,000
Parks and Recreation - additional positions, development of park and recreation facilities	
	250,000
Library	100,000
Airport Development	150,000
Open Space - parks, recreation, beautification scenic drives, historical routes	250,000
Health and Welfare	100,000
Fire Station, branch library construction	150,000
Street Lighting (lamp and plant replacement)	150,000
Motorized Equipment Replacement Reserve (Fire, Motor Pool, Police, Transit)	<u>300,000</u>
TOTAL	\$3,375,500

Mr. Rowlands continued, under Additional Needs the Transit Subsidy Item 1, the loan repayment amounts to \$698,000. In Item 2, Police - 20 more patrolmen are added, amounting to \$165,000. In Item 3, Fire in the amount of \$82,500, includes 10 more employees and duty hours cut from 54 to 52 hours. Items 4 through 6 are self explanatory, he added.

Item 7, Airport Development amounting to \$150,000 and Item 8, Open Space amounting to \$250,000 are self explanatory. However, he mentioned that federal programs are available, but matching funds have to be available from the City to effectuate any such programs.

Items 9 through 12 are also self explanatory.

Mr. Robert Anderson, City Engineer, explained how the gas tax monies received are expended. He added, one-half cent gas tax must be expended on arterial streets within the City of Tacoma. The 1 1/2 cent gas tax effective June of 1967, allows the State to sell bonds up to \$400,000,000 through 1975. The legislature in setting up this program superimposes all other existing programs. It is now possible to develop highways within counties and cities. Out of the

\$200,000,000, \$200,000,000 is allocated to the State Highway Dept. for the development of State Highways within urban areas, which is designated by the State Highway Dept. and the Bureau of Public Roads. The other \$200,000,000 will be allocated to cities and counties throughout the State, once again where they live in urban areas. The whole purpose of the program as it was conceived by the Legislature is to accelerate the immediate needs to reduce congestion and make the highways safer. The urban area program is set up under a priority system. Mayor Tollefson pointed out how important it was to have representation from the City of Tacoma at the State Legislature when bills are being drafted relative to utilities.

Mr. Gaisford, Finance Director, pointed out that under the Additional Revenues, 1963 and 1967 under Utility Taxes, which was taken up earlier in the meeting the item of (\$2,050) for the Belt Line Railroad should read \$1,515 as an increase. The total Utility Taxes would then be \$212,622.

Mayor Tollefson asked if anyone attending the Council meeting wished to speak before the Council relative to the Budget.

Mr. John Willis of the Joint Labor Committee, representing all City employees asked to speak. He explained that years have elapsed since there has been any advancement in the fringe benefits. The benefits that have been agreed upon by Mr. Rowlands, City Manager and Mr. Erdahl, Director of Utilities, are appreciated by labor. The No. 1 request was for Group Term Life Insurance and they were well pleased with the program that is offered by the City. No. 2 request was for family coverage by Pierce County Medical Bureau to be paid by the City. This was denied because of the cost. A review of the sick leave program resulted in the request that the 120 days ceiling on sick leave for pay back, and payment for 25% on the total number of days accrued. Also, that the pay back on sick leave be effective for any type of severance.

Frank Meisenburg, of the International Brotherhood of Electrical Workers, Local No. 483, felt it was very important to the employees relative to the sick leave requests. They have felt for some time that there were two areas in sick leave that were not being taken care of. One, is a short time employee who works for a short period of time using all his sick leave. Then the long term employee who is a conscientious worker and has reached the maximum of 120 days and continues to work, therefore, he loses sick leave. It is felt in changing the 25% pay back the employees attitude would change.

Mr. Willis said, relative to the request for a vacation allowance, it was found that vacations in the latter years were quite adequate, but for employees who have worked from 1 to 14 years for the City, they are lower than the County employees. Pay for working in a higher classified position must be resolved on

Labor-Management level and it should be deleted from the program at this time and looked into more thoroughly. He suggested that an increase for reimbursement for the use of employee's private cars for City use be 10¢ a mile or \$2.00 a day.

Mr. Willis added, the final request is that the City adopt a paid Prescription Program for employees. There is no municipality in the State of Washington carrying this program, but it is hoped that in the future this fringe benefit is put into effect. The program would cost the City \$4.00 per month per employee. No agreement has been reached, but before the end of the week, it is hoped the Council will see fit to approve this.

Sgt. Marvin Hansen, Police Union representative of Local 224, asked for a \$100 per month raise for all police personnel up to the classification of Captain. Extra pay for graveyard shifts and a longevity compensation to keep veteran officers from early retirement. He added, this would cost \$49,830 more than the increases being proposed at this time. Even with the \$100 raise the salary would be behind the Seattle Police Department. He felt the City could not attract twenty more policemen for the Department with the present salary.

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He noted that Management is asking for eleven more patrolmen, but it would be desirable if an additional twenty could be hired. Sgt. Hansen also asked that extra pay be granted for policemen on graveyard shifts.

Mr. Rowlands explained, if a shift differential were instituted in the Police Department, all city employees on shift work would require extra pay.

Mayor Tolleson stated the Council understands the merit of Sgt. Hansen's arguments, but they cannot accomplish everything desirable with the money available.

Mr. Joseph Beckman, Sr., property owner, felt the Policemen and Firemen, because of the hazards they face, are entitled to more consideration than other employees.

Upon motion duly seconded and passed, the budget hearing was recessed until 10 P. M., Tuesday, October 3rd, 1967.

Sam Tolleson
MAYOR

Attest: *Josephine Meeton*
City Clerk