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COUNCIL CHAMBER, 7:48 P. M.

Monday, May 16, 1955.

COUNCIL met in regular session. Present 9; Battin, Bratrud, Goering, Hooker, Humiston, Jensen, Perdue, Stojack, Tollefson. Absent 0.

It was moved by Col. Hooker, Seconded by Dr. Humiston, that the minutes of the previous meeting, copies of which had been mailed by the Clerk to each Councilman, be approved and the reading thereof be dispensed with. Motion carried on roll call: Ayes 9; Nays 0; Absent 0.

PETITIONS:

August F. Gratzner by and through his attorneys, Sterbick and Sterbick, requesting Council to repeal Ordinance No. 14867, which is "an ordinance amending Section 2 of Ordinance No. 14046, establishing the procedure to be followed upon application of abutting property owners for the vacation of streets, alleys and other public places and prescribing the charges to be collected upon the filing and granting of such petitions"; stating it is their position that this City ordinance, requiring an appraisal to be made for the purpose of establishing the value of the property sought to be vacated and after a value has been fixed, to require the abutting owner to pay the appraised value thereof is contrary to the laws of the State of Washington, inequitable, and unconstitutional, and citing court cases to prove this contention; stating further that the ordinance referred to impairs existing obligations of contract and violates vested property rights; and requesting the City Council and its City Manager to review Ordinance No. 14867 and repeal same, and in the event Council fails to so do, their client will have no alternative but to submit this matter to a court of law. The Mayor directed Mr. Backstrom to submit the request to the City attorney for review and opinion. Mr. Sterbick was present and stated even though the law is entirely in favor of this ordinance, there are "practical considerations" which should be heard before the Council makes a decision. If the Council is willing to hear his arguments later when the City Attorney presents his opinion, he has no objections to holding his statements over until such time as Mr. Boyle has reviewed the case, he added, otherwise he would like to make them at this time. Mayor Tollefson assured Mr. Sterbick he would be notified when the matter is again brought up before Council and that he would be given an opportunity to present the "practical considerations" referred to previously to Council for its consideration. 76

RESOLUTIONS:

Initial Resolution No. 14257. L. I. D. 2234.

By JENSEN:

Stating intention of Council to order grading to the established grade and placing thereon an oil mat surface in the alley between North Huson and North Orchard Streets from North 37th to North 38th Street; creating L I D 2234 and fixing June 21, 1955 as the date for hearing. It was moved by Mr. Perdue, seconded by Dr. Battin to suspend Rule 9 and carried unanimously on voice vote. The resolution was then adopted without having been read in full. 100

Adopted on roll call May 16th, 1955.
Ayes 9; Nays 0; Absent 0.

Resolution No. 14258.

By JENSEN:

Approving recommendation of the Director of Public Works and Board of Contracts and Awards and awarding contract for grading and asphalt paving of Ross Way

from Port of Tacoma Road to Thorne Road, constituting Work Order No. 6090 to Woodworth & Company, Inc., on its bid of \$8375.50. It was moved by Dr. Battin, seconded by Mr. Perdue, to suspend Rule 9 and carried unanimously on voice vote. The resolution was then adopted without having been read in full.

Adopted on roll call May 16, 1955.
Ayes 9; Nays 0; Absent 0.

Resolution No. 14259.

By GOERING:

Authorizing the Investment Board of the City of Tacoma to invest the sum of \$75,000.00 of the moneys in the City Street Fund in United States Government 91-day Treasury Bills, when the present investment in such securities mature on May 19th, 1955.

Adopted on roll call May 16, 1955.
Ayes 9; Nays 0; Absent 0.

Resolution No. 14260.

By TOLLEFSON:

Authorizing the proper officers of the City to execute and deliver to R. L. Mc Ginn and W. S. Erspamer a local improvement assessment deed covering property in the vicinity of North 43rd and Bennett Streets more fully described herein for the sum of \$16,950. It was moved by Col. Hooker, seconded by Dr. Battin, to suspend Rule 9 and carried unanimously on voice vote. The resolution was then adopted without having been read in full.

Adopted on roll call May 16, 1955.
Ayes 9; Nays 0; Absent 0.

Resolution No. 14261.

By HUMISTON:

Authorizing proper officers of City of Tacoma to sell approximately 47 tons of lead covered copper cable and approximately 10 tons of insulated scrap copper cable, to Tacoma Junk Co. on their high bid of \$.1426 per pound for the lead covered cable and \$.2026 per pound for insulated cable. (Public Utility Department scrap material.) It was moved by Col. Hooker, seconded by Dr. Battin to suspend Rule 9 and carried unanimously on voice vote. The resolution was adopted without having been read in full.

Adopted on roll call May 16, 1955.
Ayes 9; Nays 0; Absent 0.

Initial Resolution No. 14262. L. I. D. 5247.

By HUMISTON:

Stating intention of Council to order installation of cast iron water mains in South 70th Street from "D" Street to "A" Street and in Bell Street from South 64th Street to a point approximately 250' south of the south line of South 70th Street; creating L I D 5247 and fixing June 7th, 1955 as the date for hearing. It was moved by Dr. Humiston to suspend Rule 9, seconded by Col. Hooker and carried unanimously on voice vote. The resolution was then adopted without having been read in full.

Adopted on roll call May 16th, 1955.
Ayes 9; Nays 0; Absent 0.

Mr. Backstrom reported that he was in receipt of a resolution which was not on the agenda, but according to the Public Utilities Department must be adopted at tonight's meeting. Mr. Bratrud said he too had a resolution which should be considered tonight.

It was moved by Col. Hooker, seconded by Mr. Bratrud, to suspend Rule 7, relative to filing of new matter for Council's consideration, in order to take up Resolutions Nos. 14263 and 14264. Motion carried unanimously.

Resolution No. 14263.

By HUMISTON:

Approving the terms and conditions as set forth in the Notice of Sale, copy of which is attached and incorporated herein, upon which the Director of Finance shall negotiate the sale of Series "A" Cowlitz Power Development Bonds in the sum of 15 million dollars.

Adopted on roll call May 16, 1955.
Ayes 9; Nays 0; Absent 0.

Resolution No. 14264.

BY JENSEN:

Requiring that all performance bonds, insurance policies insuring or protecting the City of Tacoma and liability policies furnished by contractors, lessees and permittees be countersigned by a local resident agent maintaining an office in the City of Tacoma, for which the local resident agent shall be paid a minimum commission of five percent of the total premium, or one third of the commission, whichever is the smaller sum. Mr. Bratrud said there were two corrections necessary in the first paragraph, and moved to amend paragraph 1 by changing the word "permittee's" to "performance" and by changing "an assuerty" to "a surety". Motion seconded by Mr. Ferdue and carried unanimously. Mr. Bratrud explained the resolution by saying the purpose of it was to keep at least a portion of this type of business in the City of Tacoma on these large Public Utility contracts which are coming up in the near future. He assured the Council members that it would not result in any additional cost to the City or the Contractor as the outside agent would be required to pay the local agent the commission for countersigning. Mr. Bratrud also said it would give Tacoma firms a chance to get some of this business. Mayor Tollefson asked Mr. Barline, Director of Utilities, if he had any recommendation, and Mr. Barline replied that he did not believe it would harm the Department and he was in favor of having them countersigned by a local agent. Mr. Boyle was asked by the Mayor for his opinion on the resolution and he said in his opinion it was not legal and could not be enforced. Mr. Bratrud said he had contacted the State Insurance Commissioner's Office and they had told him the law in this regard was rather loose and this resolution was not illegal and it would be permissible for the Council to adopt it. The resolution was discussed at length and several Council member expressed the opinion that the City was within its rights and the resolution should be adopted. Roll was then called on the adoption of the resolution.

Adopted on roll call May 16, 1955.
Ayes 8; Nays 1; Stojack, not voting; Absent 0.

FIRST READING OF ORDINANCES:

Ordinance No. 15336.

Authorizing the proper officers of the City of Tacoma to enter into a lease between the City of Tacoma and O. J. Swanes, Vernon Swanes and Hildur Swanes,

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co-partners doing business as Northern Fish Products Company; and setting out the terms and provisions thereof. Read by title and placed in order of final reading.

Ordinance No. 15337.

Amending Section 68 of Ordinance No. 13443, as amended, entitled: "An ordinance to be known as the Electrical Code, regulating the sale, lease, rental, installation, repair, use and removal of electrical wiring, equipment, and appliances; providing a penalty for the violation hereof, etc." Read by title and placed in order of final reading. (Sec. 68- Metering- permitting use of a fused switch ahead of the meter in lieu of a circuit breaker under certain circumstances).

Ordinance No. 15338.

Amending Section 1 of Ordinance No. 13987, as amended, entitled: " An ordinance imposing gross earnings taxes for the benefit of the General Fund, upon certain sub-departments of the Department of Public Utilities and the Garbage and Refuse department; repealing all ordinances or parts of ordinances in conflict herewith; and declaring the effective date hereof." Read by title and placed in order of final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 15329.

Authorizing the installation of miscellaneous bracket street lights throughout the City; and appropriating the sum of of \$16,545.00, or so much thereof as may be necessary, from Cumulative Reserve Fund B (Cumulative Reserve Fund Streets and Bridges) to pay the cost of said improvements. Read in full and passed.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15330. L. I. D. 2227.

Providing for the improvement of M Street from South 64th Street to South 68th Street, except 311 feet in place on the east side of M Street, adjoining South 64th Street; also on the North side of South 68th Street from Sheridan to L Street; creating L. I. D. 2227. Read by title. It was moved by Dr. Battin, seconded by Mr. Bratrud, to suspend Rule 9 and carried unanimously on voice vote. The ordinance was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15331. L. I. D. 2228.

Providing for the improvement of A Street from East 68th Street to East 70th Street by constructing concrete sidewalks, curbs and gutters thereon; creating L. I. D. No. 2228. Read by title. It was moved by Dr. Battin, seconded by Mr. Perdue, to suspend Rule 9, and carried unanimously on voice vote. The ordinance was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15332. L. I. D. 2223.

Providing for the improvement of the alley between South Tacoma Way and Puget Sound Avenue from South 60th Street to South 62nd Street; creating L. I. D. 2223. Read by title. It was moved by Dr. Battin, seconded by Mr. Perdue, to suspend Rule 9 and carried unanimously on voice vote. The ordinance was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15333.

Amending Ordinance No. 14793, entitled: "An ordinance to regulate the location and use of buildings and the use of land within the City of Tacoma; to limit the height of buildings; to prescribe building areas and lines, and the size of yards and other open spaces and for these purposes to divide the City into district; etc." by adding thereto a new section to be known as Section 12D. ("M-1" Light Industrial District-area north of South 40th and West of South Pine to South Tacoma Way). Read by title. It was moved by Mr. Bratrud, seconded by Dr. Battin, to suspend Rule 9, and carried unanimously on voice vote. The ordinance was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15334.

Amending Sections 1 and 2 of Ordinance No. 15024, entitled: "An ordinance authorizing and directing the City Attorney of the City of Tacoma to purchase and/or institute and prosecute an action in the Superior Court of the State of Washington for Pierce County under the right of eminent domain for the condemnation and acquisition in fee simple of certain tracts or parcels of land for the purpose of acquiring a right of way for an alley between MacArthur and Meyers Streets from South 8th to South 10th Street in the City of Tacoma; and providing for the payment therefor." in order to include additional property for acquisition of said alley, and to appropriate additional money for said acquisition. Read by title. The above ordinance was discussed and Mr. Bratrud raised the question as to why the City should pay for the acquisition of property for this alley, if the abutting owners are the ones who want the alley, as it is usually customary for the abutting property to deed land to the City for this purpose. It was decided to postpone action on the ordinance pending a report on this matter from the City Attorney. It was moved by Dr. Humiston, seconded by Mr. Bratrud to postpone action for one week to May 23, 1955. Motion carried on roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15335.

Amending Section 56 of Ordinance No. 15106 entitled: "An ordinance adopting the pay or compensation plan as contemplated by Section 6.9 of the City Charter; prescribing the salaries to be paid to nonselective officers and employees of the City; establishing the positions of the various departments of the City Government; etc." and declaring an emergency making necessary the passage of this ordinance and the taking effect of the same immediately after publication. Read by title. It was moved by Dr. Humiston, seconded by Dr. Battin, to suspend Rule 9, and carried unanimously on voice vote. Mr. Backstrom reported that this adjustment has been worked out under the present ordinance and the amendment is not needed. He recommended that the ordinance be withdrawn. It was moved by Col. Hooker, seconded by Mr. Perdue, to indefinitely postpone Ordinance No. 15335. Motion carried on roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15325. (Laid over to this date on May 9th, 1955)

Amending Sections 3 and 4 of Ordinance No. 14386 entitled: "An ordinance providing for the making of certain additions and betterments to and extensions of the existing electric generating plant and system of the City of Tacoma; specifying and adopting a plan and system proposed therefor; declaring the estimated cost thereof as near as may be; providing for the method of the financing thereof; and providing for the construction thereof." It was moved by Dr. Humiston, seconded by Dr. Battin, to suspend Rule 9 and carried unanimously on voice vote. It was moved by Dr. Humiston, seconded by Dr. Battin to amend Ordinance No. 15325 as follows:
 (1) Amend Section 1, 3rd Paragraph, 2nd line by inserting after the word "system" the words "and the electric power and light transmission and distribution system";

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- (2) Amend Section 2, Paragraph 2, by inserting after the word "system" in the 4th line the words " and the electric power and light transmission and distribution system";
(3) Amend Section 2, Paragraph 3, by deleting the words "as amended", being the last two words of said paragraph.

Motion carried on roll call: Ayes 9; Nays 0; Absent 0.

The ordinance, as amended, was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15326. (laid over to this date on May 9th, 1955).

Amending Sections 2, 4, 5 and 6 of Ordinance No. 15087 passed August 16, 1954, entitled: "An ordinance providing for the issuance and sale of Series "A" and Series "B" Special Obligation Bonds of the City of Tacoma in the amount of \$7,500,000.00 each, and Series "C" Special Obligation Bonds of the City of Tacoma in an amount not to exceed \$7,500,000.00, to be known as Cushman No. 3 Light and Power Bonds Series "A" 1954, Cushman No. 3 Light and Power Bonds Series "B" 1954, and Cushman No. 3 Light and Power Bonds Series "C" 1954; to be issued for the purpose of making of certain additions and betterments to and extensions of the present electric plant and system and electric power and light transmission and distribution system of the City of Tacoma as authorized by Ordinance No. 15085; and creating and establishing a special fund for payment of the principal and interest on said bonds." Read by title. It was moved by Dr. Humiston, seconded by Mr. Perdue, to suspend Rule 9 and carried unanimously on voice vote. It was moved by Dr. Humiston, seconded by Mr. Perdue to amend Ordinance No. 15326 as follows:

(1) Amend Section 1 by deleting the same in its entirety and substituting therefor the following: " Section 1. That Section 2 of Ordinance No. 15087 be and is hereby amended to read as follows:

Section 2. That there is hereby created and established in the Treasury of the City of Tacoma a special fund to be called "Cushman No. 3 Light and Power Fund of 1954", hereinafter referred to as "Fund", into which shall be annually set aside and paid out of the gross revenues derived from such electric generating plant and system and electric power and light transmission and distribution system of the City of Tacoma, prior to the payment of any tax or other governmental charges upon the properties or earnings thereof payable to the City of Tacoma, a fixed amount without regard to any fixed proposition, namely, an amount sufficient to pay the principal of and interest on the bonds as they respectively become due, plus an amount equal to one dollar per month for each one thousand dollars principal amount of bonds issued and outstanding under this ordinance, beginning with the month following the date of delivery of such bonds. Amounts paid into said Fund in excess of the amount required to pay current principal and interest shall be paid into a special account in said Fund to be known as the "Reserve Account". The amount required to be paid into the Fund each year shall be paid in substantially equal monthly payments. No deposits in excess of amounts required to pay current principal and interest need be made in said Fund whenever the amount then to the credit of the Reserve Account shall be equal to the maximum aggregate amount of principal and interest requirements in any succeeding year on all bonds issued and outstanding under this ordinance. The term "principal and interest requirements" as used in this Section with respect to any year shall mean the amount of interest accruing on all bonds issued and outstanding under this ordinance during said year, plus any amount of principal of said bonds maturing during said year, payment of which has not been provided for by a sinking fund, and any sinking fund payments contracted to be set aside during said year for the payment of the principal of any such bonds maturing at a later date. Withdrawals from such Reserve Account shall be made only for the purpose of making up any deficiencies in the requirements of such Fund, and in the event that any deficiency exists in said Reserve Account such payments into said Reserve Account shall be resumed until such deficiency shall be made up. Any moneys on deposit to the credit of the Reserve Account may be invested and reinvested in any direct obligations of the United States Government. All income or profits or losses on any such investments shall be credited or charged to said Fund. If the gross revenues are insufficient in any month to make the required payments then the amount of any deficiency shall be added to the amount required to be paid into the Fund in the next month. The moneys

paid into said fund shall be used solely for the purpose of paying interest on and principal of the bonds until all of the bonds shall have been retired. The payments into said fund shall constitute a charge on said gross revenues equal to and on a parity with any and all charges upon said gross revenues herein created or hereafter created for the payment of interest and retirement of bonds, (exclusive of such bonds as may hereafter be issued, the pledge of the revenues to which bonds is, by the terms of the ordinance authorizing their issuance, made junior and subordinate to the pledge of the revenues to the bonds herein authorized), except the cost of operation and maintenance, and the payment of sums required for interest on and retirement of bonds or warrants heretofore issued by said City, and to the payment of interest on and retirement of which said gross revenues have previously been pledged pursuant to the following ordinances: Ordinance No. 12037, passed July 21, 1941, Ordinance No. 12140, passed December 17, 1941, as amended by Ordinance No. 12176, passed February 4, 1942, Ordinance No. 12398, passed May 19, 1943, Ordinance No. 12452, passed September 1, 1943, Ordinance No. 12523, passed March 15, 1944, Ordinance No. 12561, passed August 9, 1944, Ordinance No. 13846, passed April 26, 1950, Ordinance No. 13992, passed October 11, 1950 and Ordinance No. 14949, passed December 21, 1953. It is hereby declared that, in the creation of such Fund as in this ordinance provided, due regard has been given to the cost of the operation and maintenance of said electric generating plant and system and electric power and light transmission and distribution system and to any proportion or amount of the revenue therefrom previously pledged for the payment of bonded indebtedness, and that the revenues to be derived from the operation of said electric generating plant and system and electric power and light transmission and distribution system in the judgment of the Council of said City, will be sufficient to meet all expenses of operation and maintenance and the amount or part of the revenues so previously pledged, and to set aside in said Fund the amounts herein provided."

(2) Amend Section 2 by deleting the same in its entirety and substituting therefor the following: "Section 2. That Section 4 of Ordinance No. 15087 be and is hereby amended to read as follows:

Section 4. That said City irrevocably binds itself to operate said system and maintain the same in good condition and repair and not to sell, lease or dispose of said system, until all the bonds issued hereunder shall be paid in full, both principal and interest, or unless and until provision shall have been made for the payment of said bonds and the interest thereon in full. The said City further binds itself, irrevocably, that while any of the bonds herein authorized remain outstanding, no additional bonds payable from the revenues of said system shall be issued the payment of the interest on and principal of which is a charge on said revenues equal to and on a parity with the bonds herein authorized, unless the following are complied with:

(1) A statement shall have been filed with the Director of Utilities of the City of Tacoma, by an independent engineer or engineering firm or corporation having a nation-wide and favorable reputation for skill and experience in such work, certifying to the necessity or desirability of the additions, betterments or extensions of the electric generating plant and system and electric power and light transmission and distribution system of the City (hereinafter referred to in this Section as the "Electric System"): to be financed with the proceeds of such additional bonds and showing his or their estimates of (a) the total cost of such additions, betterments or extensions, including a reasonable amount for contingencies, (b) the estimated date upon which it is estimated such additions, betterments or extensions will be completed, and (c) the estimated amount of the average annual Net Revenues, as defined in this Section, which will be received during the five fiscal years following the estimated date of completion of such additions, betterments or extensions, taking into account any increase in revenues as a result of the construction or acquisition of such additions, betterments or extensions, the placing into effect of any increase in the rates and charges for use of the Electric System and any savings that may be effected in the expenses of maintaining and operating the Electric System.

(2) A certificate shall have been filed with said Director of Utilities by the

Director of Finance of the City of Tacoma and approved by said independent engineer or engineering firm or corporation showing that the estimated Net Revenues to be received determined in the manner hereafter stated, shall in each year be equal to not less than one hundred and thirty-five percentum (135%) of the Principal and Interest Requirements, as defined in this Section, of such year, and that the average Net Revenues of the five years following completion shall be equal to not less than one hundred and thirty-five percentum (135%) of the maximum annual Principal and Interest Requirements in any succeeding year on any outstanding bonds payable from the revenues of the Electric System including the additional bonds proposed to be issued, and provided further, however, that said certificate shall also show that such maximum annual Principal and Interest Requirements of any succeeding year on any outstanding bonds payable from the revenues of the Electric System including the additional bonds to be issued shall not exceed the Net Revenues received during the twelve months' period ending not more than one hundred twenty (120) days prior to the date of contracting the sale of such additional bonds.

The term "Net Revenues" as used in this Section shall mean the gross revenues of the Electric System remaining after deduction only of the expenses of operating and maintaining the Electric System and of any taxes or other governmental charges payable to any governmental agencies other than the City of Tacoma and such deductions shall not include any charges for depreciation or any tax or other governmental charges upon the properties or earnings of the Electric System payable to the City of Tacoma.

The term "Principal and Interest Requirements" as used in this Section shall mean the amounts payable each year to the several special funds established for the payment of the interest on and principal of all outstanding bonds payable from the revenues of the Electric System including the amounts payable to the "Cushman No. 3 Light and Power Fund of 1954" established by this Ordinance and any fund established for the payment of the interest on and principal of additional bonds proposed to be issued unless the pledge of such revenues to such additional bonds is made junior and subordinate in all respects to the pledge of such revenues to the bonds herein authorized.

(3) Amend Section 3- second paragraph of the form of the bond by substituting the word "extensions" for the word "replacements" after the word "additions" and by adding at the end of said paragraph the words "and electric power and light transmission and distribution system"

(4) Amend Section 3- third paragraph of the form of the bond by adding after the word "system" in the sixth line the words "and electric power and light transmission and distribution system" and by adding after the word "system" in the next to the last line the words "and electric power and light transmission and distribution system".

(5) Amend Section 3- fourth paragraph of the form of the bond by substituting after the word "electric" in the next to the last line of said paragraph the words "generating plant and system and electric power and light transmission and distribution system in sound financial condition as required by law" for the words "light and system in sound financial condition as required by law".

Motion carried on roll call: Ayes 9; Nays 0; Absent 0.

The ordinance, as amended, was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

Ordinance No. 15327 (laid over to this date on May 9th, 1955).

Amending Sections 2, 4, 5 and 6 of Ordinance No. 15101 entitled: "An ordinance providing for the issuance and sale of Series "A", Series "B", Series "C", Series "D", Series "E", Series "F", Series "G", Series "H" and Series "J" Special Obligation Bonds of the City of Tacoma in the amount of \$15,000,000.00 each, and Series "K" Special Obligation Bonds of the City of Tacoma in an amount not to exceed \$11,000,000.00, to be known as Cowlitz Power Development Bonds Series "A" 1954, Cowlitz Power Development Bonds Series "B" 1954, Cowlitz Power Development Bonds Series "C" 1954, Cowlitz Power Development Bonds Series "D" 1954, Cowlitz Power Development Bonds Series "E" 1954,

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Cowlitz Power Development Bonds Series "F" 1954, Cowlitz Power Development Bonds Series "G" 1954, Cowlitz Power Development Bonds Series "H" 1954, Cowlitz Power Development Bonds Series "J" 1954, and Cowlitz Power Development Bonds Series "K" 1954; to be issued for the purpose of making of certain additions and betterments to and extensions of the present electric generating plant and system and electric power and light transmission and distribution system of the City of Tacoma as authorized by Ordinance No. 14386, as amended; and creating and establishing a special fund for payment of the principal and interest on said bonds." Read by title. It was moved by Dr. Humiston, seconded by Dr. Battin to suspend Rule 9 and carried unanimously on voice vote. It was moved by Dr. Humiston, seconded by Mr. Perdue to amend Ordinance No. 15327 as follows:

(1) Amend Section 1 by deleting the same in its entirety and substituting therefor the following: "Section 1. That Section 2 of Ordinance No. 15101 be and is hereby amended to read as follows:

Section 2. That there is hereby created and established in the Treasury of the City of Tacoma a special fund to be called "Cowlitz Power Development Fund of 1954", hereinafter referred to as "Fund", into which shall be annually set aside and paid out of the gross revenues derived from such electric generating plant and system and electric power and light transmission and distribution system of the City of Tacoma, prior to the payment of any tax or other governmental charges upon the properties or earnings thereof payable to the City of Tacoma, a fixed amount without regard to any fixed proportion, namely, an amount sufficient to pay the principal of and interest on the bonds as they respectively become due, plus an amount equal to one dollar per month for each one thousand dollars principal amount of bonds issued and outstanding under this ordinance beginning with the month following the date of delivery of such bonds. Amounts paid into said Fund in excess of the amount required to pay current principal and interest shall be paid into a special account in said Fund to be known as the "Reserve Account". The amount required to be paid into the Fund each year shall be paid in substantially equal monthly payments. No deposits in excess of amounts required to pay current principal and interest need be made in said Fund whenever the amount then to the credit of the Reserve Account shall be equal to the maximum aggregate amount of principal and interest requirements in any succeeding year on all bonds issued and outstanding under this ordinance. The term "principal and interest requirements" as used in this Section with respect to any year shall mean the amount of interest accruing on all bonds issued and outstanding under this ordinance during said year, plus any amount of principal of said bonds maturing during said year, payment of which has not been provided for by a sinking fund, and any sinking fund payments contracted to be set aside during said year for the payment of the principal of any such bonds maturing at a later date. Withdrawals from such Reserve Account shall be made only for the purpose of making up any deficiencies in the requirements of such Fund, and in the event that any deficiency exists in said Reserve Account such payments into said Reserve Account shall be resumed until such deficiency shall be made up. Any moneys on deposit to the credit of the Reserve Account may be invested and reinvested in any direct obligations of the United States Government. All income or profits or losses on any such investments shall be credited or charged to said Fund. If the gross revenues are insufficient in any month to make the required payments then the amount of any deficiency shall be added to the amount required to be paid into the Fund in the next month. The moneys paid into said Fund shall be used solely for the purpose of paying interest on and principal of the bonds until all of the bonds shall have been retired. The payments into said Fund shall constitute a charge on said gross revenues equal to and on a parity with any and all charges upon said gross revenues herein created or hereafter created for the payment of interest and retirement of bonds, (exclusive of such bonds as may hereafter be issued, the pledge of the revenues to which bonds is, by the terms of the ordinance authorizing their issuance, made junior and subordinate to the pledge of the revenues to the bonds herein authorized), except the cost of operation and maintenance, and the payment of sums required for interest on and retirement of bonds or warrants heretofore issued by said City, and to the payment of interest on and retirement of which said gross revenues have previously been pledged pursuant to the following ordinances: Ordinance No. 12037, passed July 21, 1941, Ordinance No. 12140, passed December 17, 1941, as amended by Ordinance No. 12176, passed February 4, 1942, Ordinance No. 12398, passed May 19, 1943, Ordinance No. 12452, passed September 1, 1943, Ordinance No. 12523, passed March 15, 1944, Ordinance No. 12561,

passed August 9, 1944, Ordinance No. 13846, ~~Ordinance No. 13992~~, passed April 26, 1950, Ordinance No. 13992, passed October 11, 1950 and Ordinance No. 14949, passed December 21, 1953. It is hereby declared that, in the creation of such Fund as in this ordinance provided, due regard has been given to the cost of the operation and maintenance of said electric generating plant and system and electric power and light transmission and distribution system and to any proportion or amount of the revenues therefrom previously pledged for the payment of bonded indebtedness, and that the revenues to be derived from the operation of said electric generating plant and system and electric power and light transmission and distribution system in the judgment of the Council of said City, will be sufficient to meet all expenses of operation and maintenance and the amount of part of the revenues so previously pledged, and to set aside in said Fund the amounts herein provided.

(2) Amend Section 2 by deleting the same in its entirety and substituting therefor the following: "Section 2. That Section 4 of Ordinance No. 15101 be and is hereby amended to read as follows:

Section 4. That said City irrevocably binds itself to operate said system and maintain the same in good condition and repair and not to sell, lease or dispose of said system, until all the bonds issued hereunder shall be paid in full, both principal and interest, or unless and until provision shall have been made for the payment of said bonds and the interest thereon in full. The said City further binds itself, irrevocably, that while any of the bonds herein authorized remain outstanding, no additional bonds payable from the revenues of said system shall be issued the payment of the interest on and principal of which is a charge on said revenues equal to and on a parity with the bonds herein authorized, unless, the following are complied with:

(1) A statement shall have been filed with the Director of Utilities of the City of Tacoma, by an independent engineer or engineering firm or corporation having a nationwide and favorable repute for skill and experience in such work, certifying to the necessity or desirability of the additions, betterments or extensions of the electric generating plant and system and electric power and light transmission and distribution system of the City (hereinafter referred to in this Section as the "Electric System") to be financed with the proceeds of such additional bonds and showing his or their estimates of (a) the total cost of such additions, betterments or extensions, including a reasonable amount for contingencies, (b) the estimated date upon which it is estimated such additions, betterments or extensions will be completed, and (c) the estimated amount of the average annual Net Revenues, as defined in this section, which will be received during the five fiscal years following the estimated date of completion of such additions, betterments or extensions, taking into account any increase in revenues as a result of the construction or acquisition of such additions, betterments or extensions, the placing into effect of any increase in the rates and charges for use of the Electric System and any savings that may be effected in the expenses of maintaining and operating the Electric System.

(2) A certificate shall have been filed with said Director of Utilities by the Director of Finance of the City of Tacoma and approved by said independent engineer or engineering firm or corporation showing that the estimated Net Revenues to be received determined in the manner hereafter stated, shall in each year be equal to not less than one hundred and thirty-five percentum (135%) of the Principal and Interest Requirements, as defined in this Section, of such year, and that the average Net Revenues of the five years following completion shall be equal to not less than one hundred and thirty-five percentum (135%) of the maximum annual Principal and Interest Requirements in any succeeding year on any outstanding bonds payable from the revenues of the Electric System including the additional bonds proposed to be issued, and provided further, however, that said certificate shall also show that such maximum annual Principal and Interest Requirements of any succeeding year on any outstanding bonds payable from the revenues of the Electric System including the additional bonds to be issued shall not exceed the Net Revenues received during the twelve months' period ending not more than one hundred twenty (120) days prior to the date of contracting the sale of such additional bonds.

The Term "Net Revenues" as used in this Section shall mean the gross revenues of the Electric System remaining after deduction only of the expenses of operating and maintaining the Electric System and of any taxes or other governmental charges payable to any governmental agencies other than the City of Tacoma and such deductions shall not include any charges for depreciation or any tax or other governmental charges upon the

The term "Principal and Interest Requirements" as used in this Section shall mean the amounts payable each year to the several special funds established for the payment of the interest on and principal of all outstanding bonds payable from the revenues of the Electric System including the amounts payable to the "Cowlitz Power Development Fund of 1954" established by this Ordinance and any fund established for the payment of the interest on and principal of additional bonds proposed to be issued unless the pledge of such revenues to such additional bonds is made junior and subordinate in all respects to the pledge of such revenues to the bonds herein authorized.

(3) Amend Section 3 - second paragraph of the form of the bond by substituting the word "Extensions" for the word "replacements" after the word "additions" and by adding at the end of said paragraph the words "and electric power and light transmission and distribution system."

(4) Amend Section 3- third paragraph of the form of the bond by adding after the word "system" in the sixth line the words "and electric power and light transmission and distribution system" and by adding after the word "system" in the next to the last line the words "and electric power and light transmission and distribution system".

(5) Amend Section 3- fourth paragraph of the form of the bond by substituting after the word "electric" in the next to the last line of said paragraph the words "generating plant and system and electric power and light transmission and distribution system in sound financial condition as required by law" for the words "light and system in sound financial condition as required by law."

Motion carried on roll call: Ayes 9; Nays 0; Absent 0.
The ordinance as amended, was then passed without having been read in full.

Roll call: Ayes 9; Nays 0; Absent 0.

UNFINISHED BUSINESS:

The Director of Public Works ⁴⁶⁻²⁴⁰⁰ submits ⁴⁶⁻³⁹⁷⁰⁰ assessments and assessment rolls for cost of improvements in L. I. D Nos. 1881 and 2214. It was moved by Dr. Humiston, seconded by Mr. Bratrud that June 21st, 1955 be fixed as the date for hearing on said assessment rolls. Motion carried on roll call: Ayes 9; Nays 0; Absent 0.

Mr. Perdue, Chairman of the Audit Committee, read a letter from the City Manager, relative to the recommendation made in the management audit report of Lybrand, Ross Brothers and Montgomery, that a double-entry accounting system be installed; and requesting, in order to help the City set up this new accounting system, that the Audit Committee authorize the firm of Lybrand, Ross Brothers & Montgomery to devote a part of this year's audit to help prepare and install the new accounting system. Mr. Perdue said he felt it was proper that the approval of the Council be given on this matter, and he moved that Lybrand, Ross Brothers & Montgomery be directed to include the preparation and installation of the new double-entry accounting system as a part of this year's work. Motion seconded by Dr. Battin and carried on roll call: Ayes 9; Nays 0; Absent 0.

NEW BUSINESS:

Mayor Tollefson read a letter from Mrs. Della Gould Emmons, Tacoma author of the novel "Sacajawea of the Shoshones", advising that Paramount Films will soon be releasing "The Far Horizons" which is based on her novel, and suggesting the Mayor request that a "Premiere" of this film be held in Tacoma next month. It was moved by Dr. Humiston, seconded by Mr. Perdue that Mayor Tollefson be directed to make this request. Motion carried unanimously.

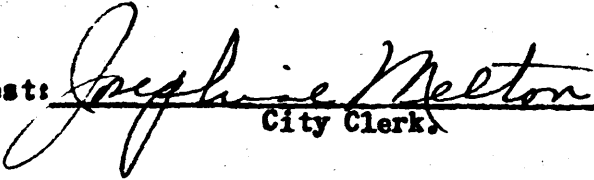
Mayor Tollefson reported that the fifteen freeholders chosen to revise the

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present charter will be sworn in within ten days of their certification by the County auditor and that he would act as temporary chairman to call them together in order to get their meetings underway. He made the statement that the present Council stands ready to give every assistance to make the free holders' work as easy as possible.

Upon motion, duly seconded and carried, Council adjourned at 9:25 P. M.


President of City Council.

Attest: 
City Clerk