

CITY COUNCIL MINUTES

City Council Chambers, 4:00 P. M.  
Tuesday, December 11, 1962

Council met in regular session. Present on roll call 8: Bott, Cvitanich, Haley, Herrmann, Murtland, Price, Steele and Mayor Tollefson. Absent 1: Finnigan.

Mrs. Price moved that the minutes of November 27, 1962 be approved as submitted. Seconded by Dr. Herrmann. Voice vote taken. Motion carried.

Mr. Murtland moved that the minutes of November 20, 1962 be approved as corrected. Seconded by Mrs. Price. Voice vote taken. Motion carried.

HEARINGS & APPEALS:

a. The City Planning Commission recommending the denial of the petition submitted by S. L. Rowland for the rezoning of property at the S. E. corner of Jackson Ave. & Olympic Blvd. from an "R-1" & "R-2" to an "R-5" District. 433  
56-7

An appeal has been filed by Brooks Johnson, Attorney for Mr. Rowland and the suggested date for hearing is Tuesday, January 8, 1963.

Mr. Buehler, Director of Planning, said this date has been verified with Brooks Johnson and it is agreeable to him.

Mr. Steele moved that Tuesday, January 8, 1963 be set as the date for hearing on the appeal of the denial on the rezoning of property by S. L. Rowland. Seconded by Dr. Herrmann. Voice vote taken. Motion carried.

b. The City Planning Commission recommending the denial of the petition submitted by Charles McPhail for the rezoning of property located near So. 10th to So. 12th Sts. between Pearl and Woodlawn Sts. from an "R-2" to an "R-4-L" District. 397

Dr. Herrmann moved to concur in the recommendation of the Planning Commission to deny the petition submitted by Charles McPhail for the rezoning of property located near So. 10th to So. 12th Sts. between Pearl & Woodlawn Sts. Seconded by Mr. Steele. Voice vote taken. Motion carried.

c. The City Planning Commission recommending the denial of the petition submitted by Speed-E-Mart Stores requesting the rezoning of property at the S. E. corner of So. 56th and Thompson Ave. from an "R-2" to a "C-1" District. 449

Mrs. Price moved to concur in the recommendation of the Planning Commission to deny the petition submitted by Speed-E-Mart Stores for the rezoning of property located at the S. E. corner of So. 56th & Thompson Ave. Seconded by Mr. Cvitanich. Voice vote taken. Motion carried.

RESOLUTIONS:

Resolution No. 17255 (redraft)

Awarding contract to E. J. Rody & Sons for L I D 3543 in the amount of \$10,037.25 on their basic bid including sales tax which was determined to be the lowest and best bid and \$5,241.60 for the supplemental bid including sales tax.

Mrs. Price moved that the Resolution be adopted. Seconded by Dr. Herrmann.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 17259:

Authorizing the renewal of the agreement between the City of Tacoma and the Disabled American Veterans Harmony Chapter No. 18 for the operation of the baseball parking lot.

Mr. Steele moved that the Resolution be adopted. Seconded by Mr. Cvitanich.

Mr. Rowlands mentioned that the Disabled American Veterans #18 operated the baseball parking lot last year and the agreement again this year states that 60% of the proceeds will go to the City and 40% to the DAV.

Mr. Bott asked if any thought had been given to re-examining the arrangements in the concessions of the ball park, from the standpoint of percentages.

Mr. Rowlands said there are several items in the agreement that will be discussed with Mr. Ryan and that will be one of them.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 17260:

Authorizing the proper officers of the City to execute an agreement with the Northern Pacific Railway Co. Permit No. 92369 providing for the installation by the City of a 10-inch storm drain upon the railway Company's right-of-way in the vicinity of No. 38th Street.

Mr. Steele moved that the Resolution be adopted. Seconded by Mr. Cvitanich.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 17261:

Awarding contract to B & B Concrete Contractors for W. O. No. 53665 on their bid of \$3,907.50 which was determined to be the lowest and best bid.

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

Mr. Rowlands said this bid is for the replacement of sidewalks which occurred from the storm damage.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 17262:

Awarding contract to Sleads Septic Systems for W. O. No. 90030 on their bid of \$5,998.96 including sales tax which was determined to be the lowest and best bid.

Mr. Steele moved 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. 17263:

Fixing Monday, January 14, 1963 at 4:00 P. M. as the date for hearing on L I D 6810 for street lights on No. 15th, 16th, 18th and 19th from Stevens to Orchard Street.

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

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

Resolution No. 17264:

Appropriating from the Equipment Rental Fund Account "B" the sum of \$4,105.45 or so much as may be necessary for the purchase of one four-door utility wagon and one concrete saw.

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

Mr. Bott asked if a used police patrol wagon could be used as a utility wagon, since they are not in use as much as other wagons in the Police Dept.

Mr. Rowlands said the policy is to try to transfer old vehicles from the Police Dept. to other departments, however, at present there are none available for this purpose. It was pointed out that they would like a vehicle that had side windows and four doors.

Mr. Murtland wanted to know if the Dept. had a particular vehicle in mind since they have requested the amount of \$2,465.37.

Mr. Gaisford, Director of Finance, said that bids have been called for but cannot be awarded until the money is appropriated. This Resolution is merely appropriating the funds to purchase the equipment that has been budgeted.

Mr. Gaisford further stated, this was an informal bid and will not come before the Council in the form of a Resolution as it is under \$3,000.00.

Mr. Bott moved to postpone the Resolution for one week, until Dec. 18th, 1962, to allow Mr. Rowlands to prepare additional information on the matter. Seconded by Mrs. Price. Voice vote taken. Motion carried.

Resolution No. 17265:

Authorizing a temporary loan of \$25,000 from the General Fund to the Public Works Bldg. Fund to perform the design study of the maintenance operations and facilities of the Public Works Dept.

Mr. Murtland moved that the Resolution be adopted. Seconded by Dr. Herrmann.

Mr. Rowlands said the Federal Government will repay this \$25,000 when the study is completed. To date there has been approximately \$10 to \$12,000 spent, but it will take another \$11 to \$13,000 to get the design work completed. This is merely an advance to the Public Works Dept. ; they can then prepare the plan and it will be available when the City is ready to proceed with the project.

Mr. Murtland asked, what relation does this Resolution have to the one previously adopted involving \$25,000.

Mr. Rowlands stated, that Resolution authorized the hiring of architects, Seifert, Wing & Forbes. This Resolution enables the City to have monies available to pay the architects for their work.

Dr. Herrmann asked if this money would be refunded to the City by the Federal Government in the event construction is not started.

Mr. Rowlands stated, this money will be refunded to the City whether they proceed with construction or not. However, this money will not be refunded to the City until we have actually paid the architects for their work.

Dr. Herrmann asked what would happen if the Citizens Committee and the Public Builders Committee recommends something different.

Mr. Rowlands said there is no question as to the type of structure, but there is some question as to the location. However, the structure they are designing will be suitable to several locations that are under consideration.

Voice vote was taken on the Resolution.

The Resolution was then declared adopted by the Chairman.

FIRST READING OF ORDINANCES:

Ordinance No. 17225:

Amending the Administrative Code providing for certain reorganizations in the Utility Dept.

Placed in order for final reading.

Ordinance No. 17226:

Amending the Compensation Plan to establish the rates of pay made necessary by the reorganization in the Dept. by the Utility Dept.

Mrs. Price said this Ordinance relates to salaries for a few appointive positions at the Utilities Dept. which were discussed at the study session. She was concerned about creating salaries for these appointive positions and not being able to grant salary increases to other employees in the City service.

Mr. Benedetti, Assistant Utilities Director, said these are the suggested salary ranges for the new positions which have been under consideration for some-time. The Utilities Dept. has placed them in the category of equal responsibility with positions already within the Utilities and other areas in the City. He went on to explain the positions that were created, also the positions that had been eliminated.

Mayor Tollefson asked Mr. Ketler, Business representative of the Civil Service League, if he was satisfied with these changes.

Mr. Ketler said they were satisfied to the extent that this will improve the situation in the Utilities Dept. However, he added, there should be a policy with regard to the appointive positions. He thought there should be a guide to determine the number of appointments, and also to ascertain upon what level they should be considered. He said the new Charter as it is written does not explain or give any actual definition of appointive positions.

Mayor Tollefson asked Mr. Ketler to compile all of this information and present it to the Council for their consideration.

Mr. Murtland said it has been alleged, there is a savings of approximately \$30,000 in the reorganization plan. He asked if these increases in salaries for certain appointive positions will come out of this savings.

Mr. Benedetti said the wages in the amount of \$31,360 are for positions that are not going to be filled in 1963 as compared to 1962.

The Ordinance was then placed in order of final reading.

Ordinance No. 17227:

Amending the Compensation Plan providing for certain changes in fringe benefits and reflecting certain adjustments in salaries as provided for in the budget or by Utility contracts.

Mr. Ketler remarked, that the classification of the General Foreman of the garage in the Transit System has been discussed and the opinion was that it should be in the Classified service instead of an appointive position, as the number of promotional opportunities for employees in the Transit System are limited.

Mayor Tollefson asked, what would prevent someone from the lower echelon from qualifying for the appointive position as well as qualifying for the classified position.

Mr. Ketler said he would have no opportunity to qualify unless the Director or whoever it may be, is satisfied with his handling of the job. There are all kinds of matters involved.

Mr. Rowlands said he was sorry he had not had an opportunity to discuss this Ordinance with Mr. Ketler before the meeting. He added, there are approximately 188 employees in the Transit Dept. What is trying to be accomplished here, is to change the classification to a Supt. of Equipment rather than leaving it as a General Shop Foreman. This position was formerly occupied by Mr. Lamb when it was a private Company. He pointed out that it was Mr. Lee's, Supt. of Transit, intention to appoint someone from the Dept. for the position. He thought the Director should

have some latitude in the choice. Mr. Rowlands said, if this is agreeable with the City Council, the Ordinance could be amended at its first reading.

Mayor Tollefson asked Mr. Lee if he had studied the re-organizational chart, and if he thought such information would be helpful to him in the management of the operation.

Mr. Lee stated he had studied the chart and thought it would be helpful.

The Ordinance was then placed in order of final reading.

Ordinance No. 17228:

Authorizing the condemnation of property in the area bounded on the north by So. 30th St. on the south by So. 48th St., on the west by Orchard St. and on the east by Mason Ave. for a sanitary land fill site.

The Ordinance was then placed in order of final reading.

Ordinance No. 17229:

Naming new streets in various parts of the City of Tacoma.

The Ordinance was then placed in order of final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 17161 (as amended)

Amending Sec. 6.70.040 of the Official Code of the City relating to <sup>474</sup> Utilities gross earnings tax.

VERBATIM: As requested by Mr. Murtland.

Mr. Murtland: "I move the substitution of Ordinance No. 17161. I should say, the substitution as requested by me and as included in the agenda for the proposed Ordinance as read by the Clerk. Seconded by Mr. Bott."

Mr. Bott asked, if the letter was received from the Utility Board in answer to the Council's request.

Mayor Tollefson said the answer was received and asked that it be read.

The letter from E. K. Murray, Chairman of the Utility Board was read in full as follows:

December 10, 1962

The Honorable H. M. Tollefson  
Mayor of the City of Tacoma  
Tacoma, Washington

Dear Sir:

This will acknowledge receipt of your letter to Mr. Erdahl of December 7, 1962, with reference to proposed Ordinance No. 17161, and advise that the same

corresponds with the understanding of the Utility Board, except as to the effective date; and, in view of the fact that this matter has been under discussion for several months, the Board is willing to go along with your suggestion as to such date.

In consideration of the above, the Board would ask that the Council direct appropriate steps to bring current the outstanding bills now owing by General Fund Departments to the Department of Public Utilities. This seems necessary to avoid possible charges of violation of Section 4.5 of the City Charter prohibiting loans of Utility funds to other City Departments, and also to comply with the covenants of our outstanding Cowlitz bond ordinances which require payment of such bills monthly.

It is further the Board's understanding that the matters of Hydrant rental, street lighting maintenance and energy rates, gross earnings tax and exemptions therefrom, and service charges both ways between the Utilities and other City Departments, will be discussed and fully reviewed during 1964, and such adjustments as then determined proper made therein, without prejudice as to the position to be then taken by either the Council or the Board.

All members of the Board agree to the above.

Respectfully yours,

E. K. Murray, Chairman  
Public Utility Board

Mr. Murtland: "Just one thing I would ask Mr. Benedetti's advice on it. It says for a review in 1964, is that the correct date?" "I mean, did he mean 1963" Or what is Mr. Haley's understanding of it, shall I ask?"

Mr. Haley said he thought the date of 1964 was correct.

Mr. Murtland: "Yes, but it says during 1964 we're going to talk about it. That was all I was asking. I understood it differently when you spoke last week."

Mr. Benedetti said he thought Mr. Murray had reference to the fact that the Charter provides that every five years, there will be a re-adjustment in rates.

Mr. Bott said, if that was the intent, he disagreed and felt this should be discussed in 1963.

Mayor Tollefson said, whenever the effective date is, he believed the language to mean the effective date of 1964. However, he added, he was not positive inasmuch as the Charter became effective in 1953 and at that time rates were adjusted. In 1958 a rate adjustment was made, which is, of course, five years. From 1958 to 1963 would mean another 5 years.

Mr. Murtland: "Yes, but I understood from the Committee report that this was being discussed and just being put over, but we're putting it over for two years practically. All I understood and agreed by the Utility Board was that we'll take it up the next time we get a chance, but certainly it shouldn't be 1964 because we are, if we take this letter now and we got it into the record, binding ourselves, to not even bringing the matter up as far as next year is concerned."

Mayor Tollefson said, to clarify the matter, he thought it would be appropriate to read his letter to the Utilities Dept. dated December 7, 1962.

The point under discussion was read in part: "However, because of the strong points made by the Utility Board that the matter of rates will be again reviewed for 1964."

Mayor Tollefson remarked that the letter stated, "rates will be again reviewed in 1964," presuming by reason of the previous Ordinance drafted in 1958

that the effective date in this particular case would be 1964.

Dr. Herrmann asked, what are the outstanding bills that the General Fund owes to the Utilities.

Mayor Tollefson said, it was mainly the street lighting energy.

Mr. Haley said, the Council should again acknowledge that it considers the obligations as accounts payable and will have to treat it as such.

Mrs. Price said, she thought the Council is talking about two different things. The subject under discussion is the review, and she believed that the rate was one thing that was to be discussed, and reviewed every five years. Now, this discussion is primarily on the Ordinance that was passed in 1958 in the areas that the Council felt could be or were justified as gross earnings tax, or rather defined as gross earnings tax, and there certainly was no time limit on that.

Mr. Murtland: "Well, that is what I wanted to mention because I mean, he throws gross earnings tax in here as just an afterthought I think, because he says matters of hydrant rental, street lighting, energy rates, gross earnings rates, etc., will be discussed at a later time, so he brings a new subject into it which as far as I am concerned isn't directly in this Ordinance. If he isn't laying it down as conditions, I've read a heck of a lot of letters from a lot of different lawyers and it sure sounds like that's what he's trying to do; but this idea that we're going to ruin the Light Division or whatever other division of the Public Utilities-that this putting in additional, or should we say taking out some of the deductions that are already there for gross tax, I guess I don't understand it; because everybody seems to be talking about it, but I refer to the proposed official statement having to do with the \$32,000,000 bond issue which came out and I think it did mention before and I would read it at this time because, perhaps, some of the newer members are not acquainted with it and it mentions here on page 1:

"Pursuant to the provisions of the City Charter is noted below the City imposes a gross earnings tax at the rate of 8% upon the revenues of the Light Division in lieu of taxes the utility would pay if privately owned and operated pursuant to provisions of the bond Ordinance, pursuant to the provisions of Ordinance No. 15338 adopted by the City Council on May 23, 1955 the above name gross earnings tax is subordinate to the payments required to be made into any fund or funds heretofore or hereafter created for the payment of the principle of, and interest in revenue bonds of the City heretofore or hereafter issued," and then it goes on with some other miscellaneous. But it would appear from that that we are not, certainly as far as bonds already issued nor as to bonds to be issued in the future, hurting any of the possible sale of that bond. Either Mr. Benedetti or Mr. McCormick can vary that if, if it is to be varied. But this idea that because we say that income is gross income and therefore ask for additional tax on those items is going to destroy their field in the sale of these bonds. I think it is just so much gobbledygook, if that's what we've used before. But in other words, what they're trying to do is say, you hurt us and in effect we'll hurt you. That's what Mr. Murray's letter says, and on the Ordinance as I have suggested it as a substitute Ordinance, in comparing with Mr. Haley's Ordinance it goes along pretty well with his old one with deletion of a couple matters but those things that are put in there are gross income as far as I am concerned. Mr. Haley leaves out amounts received for office rentals from the City credit Union and Retirement Office,



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that's income. We have rental received or credits given for operators' cottages, - that's income - that's earnings. I don't think that we can say and put right down, this is what they do because they sell electricity so that is the only thing that's to be taxed. Sure, at one time maybe what one Council tried to do. I don't say we don't have a right to take a look at it and say this is a different Council; this is a different view."

" Let's look at it again as far as interest is concerned, I believe that interest is income. At least Uncle Sam has always counted it that way, and it certainly is earnings you earn money on; you owe money or you earn it because you go out and dig a ditch and I don't think it makes much difference as far as your idea of what is earnings. And so I say, that this idea of any compromise you have with the Utility Board, it's all compromise on one side and I haven't yet heard a good argument except for the fact some of the Council members have said, ' let's not get in a hassle. ' Well, that's what we're here for part of the time to try and find this out. Maybe we're going to have a hassle with somebody, we've had them with L I D's, we've had them with zoning, I don't see for the life of me that this is any different. And again looking at the Light Division for 1961, gross income of \$15, 369, 000 with a net income of \$3, 894, 000 and the percentage of net to gross is over 25% and so they take and blow their horn and say, that if we come up to some where around \$60, 000 that that's going to raise rates, I don't know, it just doesn't make sense and I think that some of the Council backed off from it as soon as there was some opposition to it. I think that these things that I have put in here as deductions are all the deductions that they're entitled to, but the other ones that are in there are definitely income, are definitely earnings to them and should be taxed. I'm not trying to be mean at anybody. \$60, 000 isn't certainly going to balance our budget according to what we have, so we're not out trying to take care of all of that. Now, of course, if they raise this issue, what is it, Clar, is it about \$50, 000 we owe or what is that amount we owe on Street Lighting energy ?"

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Mr. Gaisford, Director of Finance, stated they have in accounts payable from about July or August of this year that the City hasn't paid.

Mr. Murtland: " Well, I mean, again, if we were to try to, why we'd just ask them to erase that off the books and say, 'let's start with a new slate,' and so they bring that in at this time. I don't think that good faith has been shown in trying to actually deal with this, with the City Government, it's been a one way street and we're going the wrong way, so I again urge the Council to think it over and let's not emasculate this thing by cutting it down to the point that you just say-- well, it's no different than it was before. And that's about all we're doing.

Mrs. Price said she didn't know how this would affect the sale of their bonds, as she understands it, the Utilities has the opportunity to take all of the gross earnings tax if necessary to satisfy the bonds.

Mr. Haley said this is what you would call a gross profit or gross margin if you were looking at bookkeeping of a private company. It's the residue monies left after subtracting the out of pocket expense of distribution, that is to determine what your ability is to float bonds. This is also what you call debt service ratio figure and all of the amount of money that is paid by the Utilities Dept. to the General Fund is never considered in terms of debt service or what is called residue between the sale of electricity and the cost of distribution. It is said it should be between 100% and 120%. The problem as near as he can figure out is

the Utilities is that they have a bad water situation this year. They have had to purchase more power, therefore, they do not have the income. He added, part of the problem at this point is that the residue should be more, in order to make the bonds much more attractive, and the claim or the payment in lieu of tax to the City follows the consideration of the schedule of payment of bonds, principle and interest.

Mayor Tollefson said, it is the intention that the Council will take another look at the tax adjustments during the year 1963 and, perhaps, get some advice from experts in the bonding business who can determine what reasonable rate should be as to the charges on hydrants and electrical energy, for street lights and maintenance.

He further added, that he for one would not be willing to accept the Ordinance as originally drafted, except for the fact that it will be reviewed during 1963 for 1964. He said he would go along with Mrs. Price and Mr. Murtland, that there are two different matters here. One item, not to be reviewed within five years, where another item would be reviewed, but he still feels if they try to work this problem out, as indicated in the first paragraph of Mr. Murray's letter, they are willing to go along with the Ordinance and be effective in 1962.

Mayor Tollefson said he believes that most of the items can be reviewed next year with adjustments becoming effective in 1964.

Mr. Rowlands said in the event there is no misunderstanding, he wanted to make it clear that the City will not have money to make all these payments to the Utilities. He said they are expecting to, more or less, continue this over until next year as accounts payable. He continued, with all of the other difficulties that have been placed upon the Council, it is going to be a real rugged year and the budget is extremely tight. There have been accounts held over since 1961 hoping that this matter could be resolved.

Mr. Murtland: "I'd like to ask Mr. Gaisford and then Mr. Benedetti. Mr. Gaisford, what was the amount paid in 1961 gross earnings tax by the Public Utilities to the City, do you know it in some round figure.?"

Mr. Gaisford said it was approximately \$1,200,000.

Mr. Murtland: "Then, Mr. Benedetti going along with your thinking on this, am I to understand that, that amount being gross earnings tax now paid to the City in 1961 and probably again this year, that the sum of some \$60,000 or \$61,000 under the proposed Ordinance that I have would really affect the bonds?" "I know it's asking for a conclusion, I mean you're the one that made the statement and said that this is what they're going to look at in bonds, that if we put something like this, well, then the poor bonds are going up. 05% or whatever it is.

Mr. Benedetti said he thought more important than the \$60,000 is the stability rates. If the Council were in any position to increase the taxes to \$60,000 there would be the possibility that this tax could be \$600,000. The fact that when the bonding companies consider this overall picture, the general stability income, he thought that is the important point.

Mr. Murtland: "Mr. Benedetti could you tell us how we could raise it \$600,000? Your suggestions are welcome too, but I think that again, that you're reaching way out, I don't think that there is any income that we can touch that would amount to that."

Mr. Murtland: "I think it really is important here though Mr. Benedetti, between \$60,000 and \$600,000."

Mr. Benedetti said he imagined the total amount of Hydrant rental, Street lighting energy, Street lighting operation and maintenance, would be quite a sizeable figure.

Mayor Tollefson explained he has always felt that the Street lighting energy and the maintenance is not a service to the General City Government and it's more evident now than ever when you consider perhaps this may be put before the vote of the people. It's not a service that runs generally to the General City Government but runs directly to the people, and felt should be borne by the Utility Department.

Mayor Tollefson asked for a vote on Mr. Murtland's substitute Ordinance.

Mr. Steele moved the previous question on Mr. Murtland's motion to adopt. Seconded by Mrs. Price. Roll call was taken on the substitute motion as follows: Ayes 4; Nays 4; Haley, Herrmann, Steele and Mayor Tollefson. Motion lost.

Dr. Herrmann said he felt that the Utility Board has been fairly reasonable in accepting the amendments submitted and are willing to make it retroactive to January 1st, 1962. He said he recognized the fact that the Utility Board is interested in doing a good job for the Utilities Dept. as the Council members are in doing a good job for the General City Government, however, since Mr. Murray and the Utility Board has agreed to the items that are listed in Mr. Haley's Ordinance he could see no reason why the Council should not give that favorable consideration.

Mayor Tollefson remarked, if the Cowlitz project was completed, and the bonds had been sold there would be no problem, as the Utilities would be in a better position to do a great deal more for the General City Government.

Mr. Murtland: "I'd like to answer Dr. Herrmann in part. I don't think they're giving us a thing by making this retroactive to January 1, 1962 because of the fact this is a matter that was certainly very much in the minds of the Council when I came on in June 1960. We talked about it, and I thought for once we were getting somewhere with it when it came up this summer. We have been back and forth and we get nothing from them. But I suppose you could say, we're getting something from them and that's better than nothing. But this is not for the new members of the Council. This is not something new, to the Council before, because it has been talked about and discussed, ways and means, etc. One thing, Mr. Mayor, I believe there should be in Haley's Ordinance a slight change on No. 18 there. I tried last Thursday to find out just what that was and couldn't. But I understand from Mr. Benedetti that No. 18 item in the Ordinance should read 'Miscellaneous revenue and expense' is that correct Mr. Benedetti?"

Mr. Benedetti said that was correct.

Mr. Murtland: "'Miscellaneous revenue and expense' is actually the account that they have. Because Miscellaneous revenue expense, nobody knew what it was, it was a nebulous thing and so I think in order to know what No. 18 is referring to, if it is going to get into effect it should probably carry that name.

Mr. Steele then moved to insert "and" in Item No. 18 under 'Miscellaneous revenue expense.'

Mr. Murtland: "I'll second it. And then I'd like to say what it is according to Mr. Benedetti, it's the sale or exchange of capital assets, that's the type of account it is in the Water Division or one shot sale of materials that you might have available to private customers. Isn't that right, so actually I think most of it is covered by Article No. 8, but it doesn't matter."

Mayor Tollefson called for a voice vote on the amendment. Voice vote was taken. Motion carried.

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

Yeas 6; Nays 2; Murtland and Price. Absent 1, Finnigan.  
The Ordinance was then declared passed by the Chairman.

Ordinance No. 17222:

Amending Chapter 13.06 of the Official Code of the City by adding a new section 13.06.050-9 to include property located on the N. E. & S. E. corners of So. 46th & McKinley Ave. in the "R03" Two-Family Dwelling District. (Petition of H. E. Thaden) 423

Roll call was taken on the Ordinance resulting as follows:

Yeas 8; Nays 0; Absent 1, Finnigan.  
The Ordinance was then declared passed by the Chairman.

Ordinance No. 17223:

Amending Chap. 13.06 of the Official Code of the City by adding a new section 13.06.112-1 to include property on the east side of Hosmer St. between So. 76th & 80th Sts. in the "C-F-P" Freeway Commercial Personal Services District. (Petition of Hokold, Inc.) 416

Roll call was taken on the Ordinance resulting as follows:

Yeas 8; Nays 0; Absent 1, Finnigan.  
The Ordinance was then declared passed by the Chairman.

Ordinance No. 17224:

Chap. 13.06 of the Official Code of the City by adding a new section 13.06.050-8 to include property on the N. E. & S. E. corner of So. 55th St. & Park Ave. in the "R-3" Two-Family Dwelling District. (Petition of Alvin L. Morris) 433

Roll call was taken on the Ordinance resulting as follows:

Yeas 8; Nays 0; Absent 1, Finnigan.  
The Ordinance was then declared passed by the Chairman.

Ordinance No. 17230:

Providing for the improvement of L I D 2330 for a gravel & oil mat surface on So. 76th St. from Sheridan Ave. to So. K St. and repealing Ordinance No. 17071.

Roll call was taken on the Ordinance resulting as follows:

Ayes 8; Nays 0; Absent 1, Finnigan.  
The Ordinance was then declared passed by the Chairman.

UNFINISHED BUSINESS:

The Director of Public Works presents the following assessments for hearing:

- a. L I D 4682 for permanent paving from Grandview St. from Ea. 68th to Ea. 72nd and in Ea. 68th from Grandview to Homestead Ave.
- b. L I D 4686 for permanent paving in various streets between No. 12th and No. 28th from Adams to Huson.

Mr. Bott moved that Monday, January 14, 1962 at 4:00 P. M. be set as the date for hearing on L I D 4682 and L I D 4686 assessment rolls. Seconded by Mr. Cvitanich. Voice vote taken. Motion carried.

ITEMS FILED IN THE OFFICE OF THE CITY CLERK:

- a. Report from the Tacoma Retirement System for the month of Nov.
- b. Report from the City Planning Dept. for the month of Oct.
- c. 18th Examination on the Light Div. -Dept. of Public Utilities period covering January 1, 1961 to December 31, 1961.

COMMENTS BY THE MANAGER:

Mr. Rowlands said a Real Estate Tax Bulletin was sent out listing 90 cities which contained the average tax load per family. Tacoma is 81 on the list with Boston being the highest. This helps put Tacoma in the position of attracting industry and also producing home ownership.

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Mr. Rowlands distributed information to the Council Members relative to the proposed site of the City of Tacoma Public Works Maintenance Center.

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Mr. Rowlands said a docket number has been assigned to the petition of the City in connection with the C. A. B. hearing for recertification of the West Coast Airlines.

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Mr. Rowlands reminded the Council that on December 19th, the Puget Sound Governmental conference will be holding its semi-annual meeting in Seattle. He asked who would be attending so reservations could be made. Mrs. Price and Mr. Steele indicated they planned to attend.

COMMENTS BY THE MEMBERS OF THE CITY COUNCIL:

Mr. Murtland explained that his reason for voting "no" on Ordinance No. 17161 was because he felt that it was not a compromise between the Utilities and General Government, but instead a blow in the face, even though the City may gain \$17,000.

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Mayor Tollefson said the matter of the Belt Line has been discussed <sup>455</sup> for sometime and no formal action has been taken by the Council or the Utility Board. However, an overture was made by the Port of Tacoma to the Utilities Dept. and the General Government to sell the Belt Line to the Port. It was brought out that certain improvements that had to be made could hardly be financed by the Belt Line, but could easily be financed by the Port.

Mayor Tollefson said he had studied the comprehensive plan for development of its industrial area and it appears that, perhaps, the Belt Line could make the improvements in the next 12 or 13 years. The report made no statement with regard to a relocation of classification yard, although it did state that five new Rail Lines should be added to the existing classification yard. It did suggest, perhaps, if the Port owned it, they could operate it in conjunction with their own little rail operation and that it might develop into a better operation. The Port also pointed out, there are various types of Belt Line operations; some owned by the Railroad and some by the Port Authority and some by the Municipal Government. There was also a question raised as to whom was to make all of the improvements, and it was indicated in the report that all of these improvements can be made by the Port and would be self liquidating, based upon the sale of the land that would be reclaimed as the result of the extension of the waterway and the fill that resulted because of such dredging operations and other operations of the Port in moving land from the hillside down into the low lands. The point was also made that the Belt Line could not make these extensions and put in new rails if they didn't own the land or if they didn't own the Belt Line operation. We had asked Mr. McCormick, City Attorney, to interpret the statutes in this regard and he explained the Port has the authority to put in any railroad lines and spurs, roads or improvements of any kind, whatsoever, that it deems necessary, for the purpose of improving its facilities; that being true, then, it wouldn't be necessary for the City of Tacoma to transfer its Belt Line operation to the Port.

If, however, on the other hand the transfer was made to the Port, the City would give up income that they receive in lieu of taxes from the Belt Line operation year after year, and he thought in the future this income would increase. There is nothing in the report nor in the reflection of the testimony by the people, that have talked to the Council, that the Belt Line was not doing a good job and in his opinion he felt that it also was the opinion of the Council, that it would serve no useful purpose to the City to give up this income and transfer the Belt line to the Port of Tacoma at this time. Under those circumstances it didn't appear to him that any Resolution would have to be adopted by the Utility Board recommending the transfer. He thought it was the consensus of the Council that some examination be had with regard to certain legislation that might provide for an easier transfer of such a service from one Municipality to another, serving the same area. If it is

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advisable to transfer such ownership in the future, however, he saw no mutual benefits, the benefits would be only to the Port which would not result in an improved operation, but on the other hand, would result in a loss of income of general tax money to the General City Government. He believed that the Council would be remiss in their duties if they transferred this to another party and lose the revenue that is gained by retaining it. He was sure the Legislature would frown upon the City and say if you are so rich that you can transfer the Belt Line that results in a loss of revenues to the General Fund there is no need to look at us for assistance in funds, so with that type of a thought in mind, he felt that they should not recommend the sale of the Belt Line by the Utility Board or the General City Government at this time.

Mr. Steele said he would like to echo the Mayor's sentiments, he didn't know if it would be necessary to make a motion or not. He thought they should retain that asset and the fixed revenues it brings.

Mrs. Price concurred in Mr. Steele's remarks.

Mayor Tollefson thought the entire Council was of the same opinion, and the Council will cooperate in every manner with the Port in seeing that its development is carried out in the best manner possible. He believed that the Manager should contact the Port to determine exactly what their plans are for the Lincoln Avenue cut by the extension of the Port Industrial Waterway.

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There being no further business to come before the Council, upon motion duly seconded and passed, the meeting adjourned at 6:30 P. M.

*W. M. Tollefson*  
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Mayor of the City Council

Attest: *Josephine Melton*  
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City Clerk