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Council Chamber, 7:30 P. M.
Monday, August 12, 1957.

Council met in regular session. Present on roll call 6; Battin, Goering Humiston, Perdue, Tollefson, Mayor Anderson. Mr. Stojack taking his seat at 7:43 P. M. Absent 2, Bratrud and Jensen.

It was moved by Dr. Battin, seconded by Mr. Perdue that the minutes of the previous meeting be approved and the reading thereof dispensed with. Motion carried; Ayes 5; Nays 1, Humiston (not voting); Absent 3, Bratrud, Jensen, Stojack.

RESOLUTIONS:

Resolution No. 15085:

By Perdue:

Acknowledging receipt of 500 copies of the Brown and Caldwell Report and authorizing payment to Brown and Caldwell of \$7,703.38 as full payment of all balances due on said contract including all amounts withheld by the City on progress payments. 324

Adopted on roll call August 12, 1957
Ayes 6; Nays 0; Absent 3; Bratrud,
Jensen and Stojack.

Resolution No. 15086:

By Anderson:

Appointing Marshall Perrow as a member of the Board of Adjustment to fill the unexpired term expiring September 30, 1957, also appointing him to said Board for a period of one year, commencing the 1st of October, 1957 and ending September 30, 1958.

Adopted on roll call August 12, 1957
Ayes 6; Nays 0; Absent 3, Bratrud,
Jensen and Stojack.

Resolution No. 15087:

By Anderson:

Appointing Dutton Hayward as a member of the Board of Adjustment for a term of four years commencing October 1, 1957 and ending September 30, 1961.

Adopted on roll call August 12, 1957
Ayes 6; Nays 0; Absent 3, Bratrud,
Jensen and Stojack.

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Resolution No. 15082:**By Anderson:**

Authorizing the Retirement Board to purchase City of Tacoma Local Improvement District Bonds and Warrants on a 5% interest rate, such interest rate to be adjusted according to market fluctuations.

Mayor Anderson pointed out that this resolution had been held in abeyance for two weeks in order that Dr. Humiston could be present.

Dr. Humiston said he felt the present 4% rate was unrealistic. On the other hand he had reviewed the several letters received from firms in the investment business and not one recommended the 5% rate. It is not the responsibility of the Council to furnish the Retirement Board with high interest bearing securities, but rather to sell L I D bonds at the lowest possible interest rate so the L I D program can operate on a cash basis. He suggested that the interest rate be fixed at 5% and these be offered to commercial bond buyers at a premium, and if picked up by them, they would be sold to these firms; and that the Retirement Board guarantee they will take any at par that are not sold at a premium, so the L I D program can continue to operate on a cash basis.

Mr. Gaisford said in his opinion the L I D ordinances could be drawn so as to give the Contractor the authority to buy the bonds at 5%, but he does not know what would have to be done to allow anyone on the outside to purchase them.

Mayor Anderson asked Mr. McCormick, City Attorney, if there were legal restrictions on the sale of L I D bonds. Mr. McCormick replied that he could see nothing in the Charter to prohibit them from being sold to anyone as long as they are sold at par.

Mr. Gaisford, speaking as a member of the Retirement Board said the Board was definitely willing to let the bonds out on the open market since the Board could purchase other securities which would yield a higher interest rate than 5%.

Mayor Anderson said it was discussed at the Retirement Board meeting that the Board had agreed it would pick up all the L I D bonds it could at 5% interest.

Dr. Humiston questioned whether this resolution handles the problem in view of this arrangement. Mr. McCormick advised that the last sentence of the resolution is flexible enough to take care of changes in interest rates reflecting market conditions.

Mr. Tollefson said it was his understanding that Dr. Humiston wanted the City as a matter of policy to call the bonding houses when bonds are up for sale, to see what prices they will be willing to offer.

Dr. Humiston said he felt the L I D bonds should be put out on a call for bids. Mr. Gaisford said if this were done, it would result in a variety of interest rates ranging from 4% to 5% or even higher. He also stated that the Board would bid the bonds in at the going interest rate for that particular date instead of 5% if bids are called for.

Mr. Harry Manning, also a member of the Board, stated that if the Board had money available, it would look over the investment market in an effort to obtain the best investment possible. He also stated that the present 4% rate on L I D bonds is much too low.

Mr. Tollefson asked whether 5% is a realistic interest rate, or if it should be 4-3/4% or 4-1/4%. Mr. Manning stated that the first part of this year the Board could have invested all its funds, to earn in excess of 5%, but it did not want to harm the L I D program, but rather to work with it. However, it is the responsibility of the Board to make the best investment of their funds.

Dr. Humiston asked if the Retirement System was offered only 50% of the bonds, if the Board would buy all of those offered it. Mayor Anderson said the Board would have to consider this angle before the members could make a commitment.

The question of whether or not some L I D bonds are more favorable than others was discussed. Mr. Gaisford pointed out all L I D bonds are guaranteed by the L I D Guaranty Fund, which amounts to more than 50% of the outstanding bonds. After further discussion roll was called for on the resolution, resulting as follows:

Adopted on roll call August 12, 1957.
Ayes 6; Nays 1, Tollefson Absent 2,
Bratrud, Jensen.

FIRST READING OF ORDINANCES:

Ordinance No. 15928:

Creating in the City Treasury a special fund to be designated as the "Equipment Rental Fund". Read by title and placed in order of final reading.

Ordinance No. 15929:

Creating in the City Treasury a special fund to be designated as the "Garbage Deposits Fund". Read by title and placed in order of final reading.

Ordinance No. 15930:

Creating in the City Treasury a special fund to be designated as the "License Deposits Fund". Read by title and placed in order of final reading.

Mr. Rowlands, City Manager, said he would like to make a comment on the preceding Ordinances. He said the Finance Department has been operating under the existing ordinances as set up for a number of years, but it was brought to his attention that these particular funds have been created under the statutes of law, and since no authorizing ordinances have been adopted by the Council to put these under the Charter and Official Code, the Finance Director has asked that these Ordinances be prepared in this matter to formalize with the state law, Mr. Rowlands added.

Mr. Rowlands explained that in Ordinance No. 15928, under "Equipment Rental Fund" there is \$104,257.00 which was set aside in last years' budget in connection with replacement of equipment. On page two of the Ordinance, two accounts have been set up, Account "A" and Account "B". Funds which are used for overhead expenses such as materials and wages, which is necessary to maintain the equipment, will go into Account "A" and the equipment purchased for replacement will go into Account "B".

In this years budget the various departments for 1958, will be budgeting for the purchase of transportation and will include funds for the use of replacing equipment and also for the amount which will be necessary to operate the existing equipment. Mr. Rowlands said that the Finance Department has carefully checked this with the Legal Department to see that this complies with the State Law.

Dr. Humiston said, that during the last budget hearings he understood the Manager to say that ideally this fund should have some \$400,000 in round figures and when this amount is achieved it should stay stable and eventually be a cash fund.

He requested a written opinion from the City Attorney pointing out, (1) what Statute authorizes the setting up of this particular kind of fund, (2) if it is under the Cumulative Reserve Fund provision of the statute and (3) can the Council set up such a fund and use this money for other purposes?

This accomplishes two things, Dr. Humiston said, (1) to set up a fund and the other to set up the method of cost accounting. The depreciation and cost of operating a vehicle are two different matters and should be separated, he said.

The costs can be taken care of whether there is money in the fund or not.

Dr. Humiston said he did not like to see such an amount of money taken from the General Fund Revenues and placed into a fund which ^{is} going to grow to a certain amount and then just stay there.

Mr. Rowlands said the purpose of this fund is to eliminate the necessity of budgeting large amounts which could fluctuate from year to year for either new, or replacement of equipment. By placing \$200,000 in this fund, a certain amount could be set aside for each piece of equipment and a certain amount could be purchased out of Account "B" each year without the necessity of placing an extra \$25,000 to \$30,000 in the account each year, which is the purpose of having money in this reserve account, he said.

Mr. Rowlands said even if we didn't have the full amount, we could conceivably start purchasing some of this equipment out of this fund next year.

Ordinance No. 15931:

Creating in the City Treasury a special fund to be designated as the "Light Deposits Fund". Read by title and placed in order of final reading.

Ordinance No. 15932:

Creating in the City Treasury a special Fund to be designated as the "Water Deposits Fund". Read by title and placed in order of final reading.

Ordinance No. 15933:

Amending the Charter and Official Code of the City regarding Heating Installations, licenses required, examining Board, fees, etc. Read by title and placed in order of final reading.

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Ordinance No. 15934:

Amending the Charter and Official Code of the City by adding thereto a new chapter to be numbered 6.61.010 et seq., relating to the installation, alteration or extension of steam, hot water or cooling systems for comfort; requiring a permit and providing for collection of fees therefor. Read by title and placed in order of final reading.

Mr. Rowlands called on Les Gillis to explain the changes that were made in these ordinances. Mr. Gillis said that he met with the various groups representing the Plumbing and Heating firms and with the Industrial Bureau of the Chamber of Commerce, and also had separate meetings with Mr. Nye and Mr. Peck from Consumers Central Heating Company, and the changes made met with the approval of these firms.

Ordinance No. 15935:

Amending the Charter and Official Code of the City of Tacoma relating to Probationary Period of employment, Leave of absence without pay and Layoffs. Read by title and placed in order of final reading.

Ordinance No. 15936:

Amending the Charter and Official Code of the City regarding Leave With Pay. Read by title and placed in order of final reading.

Mr. Rowlands explained to the Council the reasons for the amendments set forth in Ordinance No. 15935. Under the present regulations an employee has been allowed to count time while he was ill or on leave of absence as part of his probationary period. The amendment will correct this by specifically eliminating this from the probationary period, making it necessary to serve a full six months on the job.

The second amendment will allow an appointive employee to qualify for a certified position through examination, and to hold his classification on a certified list even though he works only one day, before he returns to his appointive position, Mr. Rowlands explained.

The third amendment is the outcome of the Ed Hubbell case, and will retain an employee who has been injured while working for the city, on the re-employment and eligible lists for two years, plus the period of his disability, Mr. Rowlands stated.

Ordinance No. 15936 brings the City regulations relative to salary paid City employees on Military leave into conformity with the State law passed by the last Legislature. This means it is mandatory for the City to pay the employee on military leave his full salary, rather than the difference between his salary and the compensation paid by the Government, as has been the practice heretofore.

Mr. Tollefson asked how much this will cost the City of Tacoma for a one year period. Mr. Rowlands agreed to have this information for Council before the ordinance is passed.

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FINAL READING OF ORDINANCES:**Ordinance No. 15924:**

Amending Section 7. 10. 030 of the Charter and Official Code relating to the Police Department; providing for the appointment and prescribing the duties and term of office of special police officers. Read by title and passed.

Roll call: Ayes 7; Nays 0; Absent 2, Bratrud, Jensen.

Ordinance No. 15925:

Vacating East 67th Street from McKinley Avenue to East G Street. Read by title and passed.

Roll call: Ayes 7; Nays 0; Absent 2, Bratrud, Jensen.

Ordinance No. 15926: L I D 5276.

Approving and confirming Assessment Roll for L I D 5276 - Cast Iron Watermains in North 18th from Huson to Orchard; North 14th from Huson to Orchard and in Orchard from North 11th to 18th. Read by title and passed.

Roll call: Ayes 7; Nays 0; Absent 2, Bratrud, Jensen.

Ordinance No. 15927: L I D 5278.

Approving and confirming the Assessment Roll for L I D 5278 - Cast Iron watermains in South Madison Street from South 69th Street to 74th Street. Read by title and passed.

Roll call: Ayes 7; Nays 0; Absent 2, Bratrud, Jensen.

At this time Mr. Perdue said he had a matter to present which is not on tonight's agenda, and he moved to suspend Rule 7 (relative to filing of New Matter). Motion seconded by Dr. Battin and carried on roll call: Ayes 7; Nays 0; Absent 2, Bratrud, Jensen. Mr. Perdue then read the following statement:

"Tacoma is fortunate as are many other American cities in having a citizens' group interested in good government affiliated with the National Municipal League.

The Tacoma Municipal League's membership is open to the public and its members are assigned to a variety of committees in accordance with their preferences.

It is regrettable to note that one of the league's committees charged with interesting itself in Utility affairs, has recently seen fit to release a report before it had valid or complete information upon the subjects which said report purported to cover.

Obviously such a report, based upon erroneous and incomplete information cannot serve any useful purpose.

We assume that it is the desire of the Municipal League to issue reports consistent with the facts and we therefore suggest that the Board of the Tacoma Municipal League invite each and every member of the Tacoma City Council to appear before it in order that it may come into possession of a substantial fund of information obviously unknown to its committee at the time its original report was drawn.

It is assumed that after more complete information is in the hands of the league, it will in fairness to the City Council the Utility Board and the Municipal League itself, desire to withdraw its original report and substitute one consistent with the facts".

In line with the foregoing Statement, Mr. Perdue moved that the Tacoma City Council hereby formally request, that it be accorded a full hearing before the Board of Trustees of the Tacoma Municipal League on the subject matter covered by its Utility Committee's report of August 1, 1957. Seconded by Dr. Battin.

Mrs. Goering asked if any Council member had received an invitation to appear before the Committee of the Tacoma Municipal League to date. Mayor Anderson replied that he had been asked to appear before the Committee relative to appointments of new members of the Utility Board at which time he had confined his remarks to this subject, and briefed them on the qualifications of the new Board members. Mayor Anderson further stated that he knew nothing about the Committee's report until it appeared in the newspaper. At the last minute, the Committee asked him to bring other Council members and the City Manager, but owing to the late invitations he had not contacted any of the Councilmen, and Mr. Rowlands had been unable to attend, due to another engagement, Mr. Anderson stated. He denied making any statement that he represented the City Manager and the Council. He did not feel it was a fair report and the Municipal League was not carrying out its purpose, which is to work for the betterment of City Government, when it issued a report of this nature.

Dr. Humiston also said he believed the report way out of line and that the facts were greatly distorted.

Dr. Battin defended the League by saying there were many sincere members in the organization who desired to be of assistance. However in this instance he felt the league was sold a bill of goods by its committee, which was uninformed. The hearing suggested by Mr. Perdue would give the league an opportunity to correct an error made in its name. Mr. Stojack said he thought the Council would be setting a dangerous precedent by asking for a hearing. Mr. Tollefson offered to draft a written reply to the Municipal League's report and to submit it to the Council for approval before forwarding it to the League, which would be another way of handling the matter. Roll was called on Mr. Perdue's motion which was declared lost. Ayes 2; Battin, Perdue. Nays 5; Absent 2, Bratrud and Jensen. It was then moved by Dr. Battin, seconded by Mr. Perdue, that Mr. Tollefson draft a written reply to the report and submit it to the Council for approval. Motion carried: Ayes 6; Nays 1, Stojack; Absent 2, Bratrud and Jensen.

UNFINISHED BUSINESS:

The City Manager reported on "Parking Study by Railroad offices on 9th and Pacific Avenue", stating that a report has been received from the Public Works Director as requested by Council on July 29th. In this report the Traffic Engineer recommends that two parking meters with fifteen minute limits be installed. This is agreeable to the Transit System, who is using the area for a bus zone. The 15-minute parking meters would be easier to enforce than a "ten-minute"

parking sign, Mr. Staman, Director of Public Works advised, and he has requested that two meters be installed. Mr. Rowlands advised that these meters have been installed and are now in operation. Mayor Anderson explained that the Railroad Companies are very grateful for the action taken on this matter.

Mr. Rowlands also reported on MC-151 - Local Improvement District Information and advised that these two form letters were prepared at the request of Dr. Humiston, to be sent to persons who remonstrate against either the establishment of a local improvement district or the assessment roll. These form letters were submitted to Council under MC-151 (dated July 30, 1957) Dr. Humiston said he believed that if a letter went out ^{to} the L I D remonstrators, it would be good for public relations. However, after reading the two form letters submitted, he felt they were too cold and formal. Mayor Anderson suggested that Dr. Humiston compose a suitable letter, which Dr. Humiston agreed to do.

ITEMS RECEIVED FOR FILING IN THE OFFICE OF THE CITY CLERK:

- a. **MC-154 - Independent Auditor's Annual Report - 1956.**
- b. **Record of cases in Tacoma Municipal Court during the month of July, 1957.**
- c. **Harbor Commerce, Waterborne Foreign and Domestic Statistical report for June, 1957.**
- d. **Report of the Director of Finance for July, 1957.**

COMMENTS BY THE CITY MANAGER:

346 Mr. Rowlands advised that MC-154 - Independent Auditor's Report for 1956, outlined the recommendations made by the Auditing Firm and the action taken by the City Staff with regard to these recommendations.

Upon motion, duly seconded and carried, Council adjourned at 9:20 P. M.



 President of City Council

Attest: 

 City Clerk