

CITY COUNCIL MINUTES

City Council Chambers, 4:00 P. M.  
Tuesday, June 25, 1963

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

Mrs. Price moved that minutes of the meeting of June 11, 1963 be approved as submitted. Seconded by Dr. Herrmann. Voice vote taken. Motion carried.

HEARINGS & APPEALS:

a. This is the date fixed for hearing on the petition submitted by Lila L. Brauch et al. <sup>165</sup> for the vacation of the alley in the vicinity of No. 30th & Highland <sub>409</sub> Streets.

No one appeared to object.

Mrs. Price moved that the application for the vacation as recommended by the Planning Commission, be approved and that the proper Ordinance be brought in confirming the vacation. Seconded by Dr. Herrmann. Voice vote taken. Motion carried.

b. This is the date fixed for hearing on the petition submitted by R. T. Davis Investment Co. <sup>165</sup> for the vacation of property in the vicinity of Asotin St. <sub>404</sub> and So. Tacoma Way.

David Porter, 4002 No. 22nd, was present representing the property owner at 1717 So. Tacoma Way, and registered an objection to the vacation.

Mr. Buehler, Planning Director, pointed out there were no objections to the vacation at the time of the hearing. He stated that everyone else was in favor of the vacation in the area. This property owner who owns property at 1717 So. Tacoma Way, will be benefited by half of the alley on this vacation.

It was the consensus of the Council that the vacation does not impair access to this property.

Mr. Steele moved that the application for the vacation as recommended by the Planning Commission, be approved and that the proper Ordinance be brought in confirming the vacation. Seconded by Mr. Finnigan. Voice vote taken. Motion carried.

c. This is the date fixed for hearing on the petition submitted by Keith Petersen <sup>165</sup> for the vacation of property located on So. 30th between Madison St. <sub>221</sub>

and the alley between Madison & Gunnison Streets

No one appeared to object.

Mr. Steele moved that the application for the vacation as recommended by the Planning Commission, be approved and that the proper Ordinance be brought in confirming the vacation. Seconded by Mr. Finnigan. Voice vote taken. Motion carried.

d The City Planning Commission recommending the denial of the petition submitted by C. G. Plummer for the rezoning of property located near So. 72nd and Portland Ave. from an "R-2" to an "R-4-L" District. <sup>103</sup>

The time for filing an appeal expired on June 17, 1963. No appeal has been filed

Mr. Steele moved to concur with the Planning Commission to deny the petition submitted by C. G. Plummer for the rezoning of Property located near So. 72nd and Portland Ave. Seconded by Mr. Finnigan. Voice vote taken. Motion carried.

PETITION:

Petition submitted by John Walter Grohner, requesting the rezoning of property located at Skyline Drive & Olympic Blvd. from an "R-1" to an "R-4-L" District.

Referred to the Planning Commission.

COMMUNICATION:

Communication from L. W. Craig, County Assessor, requesting that he be notified which three Council members will represent the City on the year's Equalization Board which will convene in the Assessor's office at 9:00 A. M., Monday July 1, 1963.

Mayor Tollefson appointed Mrs. Price, Dr. Herrmann and Mr. Bott to the Board of Equalization.

RESOLUTIONS:

Resolution No. 17518: (postponed from the meeting of June 18, 1963)

Awarding contract to Sound Battery Co. for furnishing storage batteries for the period of May 1, 1963 to April 30, 1964, which was the only bid received.

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

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Mayor Tollefson explained that the Resolution was set over for one week since there was a question as to why only one bid was received. He added, investigation indicated that the bid is even less than it was last year and all of the items in the bid were approved by firms doing the same type of work.

The Resolution was passed unanimously by voice vote.  
Ayes 8; Nays 0; Absent 1, Haley.

Resolution No. 17522:

Fixing Monday, July 22, 1963 at 4:00 P. M. as the date for hearing on L I D 2298 for grading and oil mat surface on No. 45th from Whitman to Frace Street and on Whitman from No. 42nd to No. 45th Streets.

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

The Resolution was passed unanimously by voice vote.  
Ayes 8; Nays 0; Absent 1, Haley.

Resolution No. 17523:

Fixing Monday, July 22, 1963 at 4:00 P. M. as the date for hearing on L I D 6830 for street lighting on So. 58th St. from "A" to Pacific Avenue.

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

The Resolution was passed unanimously by voice vote.  
Ayes 8; Nays 0; Absent 1, Haley.

Resolution No. 17524:

Authorizing the proper officers of the City to enter into an agreement with the Southcenter Corporation for the installation of underground facilities for the Tacoma Mall Shopping Center in the vicinity of So. 43rd to So. 48th and Pine Sts.

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

The Resolution was passed unanimously by voice vote.  
Ayes 8; Nays 0; Absent 1, Haley.

Resolution No. 17525:

Authorizing the proper officers of the City to enter into an agreement with the United States Post Office for the furnishing of transportation by the Tacoma Transit System for the letter carriers and other post office employees, effective

July 1, 1963 and ending June 30, 1964.

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

Mr. Rowlands explained that the present agreement provided for 2500 bus tokens in the sum of \$500 00. The new agreement is the same as last year with the exception of the tokens as they have a sufficient supply

The Resclution was passed unanimously by voice vote  
Ayes 8, Nays 0, Absent 1, Haley

Resolution No. 17526.

Awarding contract to Tom Tennesen for L I D 3664 on its basic bid of \$2,087 33 which is determined to be the lowest and best bid and also on its supplemental bid of \$764 40 including sales tax

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

The Resolution was passed unanimously by voice vote  
Ayes 8, Nays 0, Absent 1, Haley.

Resolution No. 17527

Awarding contract to Westinghouse Electric Supply Co. on its bid of \$31,460.00 plus sales tax for the furnishing of street lighting luminaires which was determined to be the lowest and best bid

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

The Resolution was passed unanimously by voice vote.  
Ayes 8; Nays 0, Absent 1, Haley.

Resolution No. 17528.

Awarding contract to Woodworth & Co for L I D 2346 on its bid of \$22,671.60 which is determined to be the lowest and best bid

Mr Finnigan moved that the Resclution be adopted. Seconded by Mr. Steele.

The Resclution was passed unanimously by voice vote.  
Ayes 8, Nays 0; Absent 1, Haley.

Resolution No 17529.

Appointing Robert Strobel as a member of the City Planning Commission for a six-year term commencing on June 30, 1963 and expiring June 30, 1969

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

The Resolution was passed unanimously by voice vote  
Ayes 8. Nays 0. Absent 1. Haley

FINAL READING OF ORDINANCES.

Ordinance No. 17371

Amending Sec 2.14.120 of the Official Code of the City by increasing <sup>195</sup> the permit fee for elevators, escalators and dumbwaiters

Mr Steele moved that the Ordinance be amended to reduce the \$15 00 escalator fee to \$7 50. Seconded by Mr Murtland. Voice vote taken. Motion carried

Replying to questions from the audience, Mayor Tollefson explained that this fee is a charge by the City for inspecting escalators. The State has a similar law, and if the City doesn't enact an Ordinance regulating these vehicles, the State will step in and license them. He added, the City has employees already qualified for this type of work and he felt it should be kept at the local level.

Mr Dillaway, Secretary-Manager of the Pierce County Taxpayers Association, stated that his organization felt there were other possible ways of increasing revenue other than increasing taxes and suggested economy within the City Government. He presented numerous statistics comparing Tacoma's operating budget with that of Spokane, showing Tacoma's budget to be higher. He intimated that financial difficulties, instead of being resolved by management, are being passed on to the public.

Mr. Dillaway continued by saying that if taxes keep increasing Tacoma could become a ghost town, with people moving into perimeter areas rather than facing a gloomy financial situation.

Mayor Tollefson cited some figures regarding expenditure increases from 1955 to 1963 which were necessary in order to maintain an acceptable level of services and management in such areas as the Transit System, Parks and Libraries, all capital improvements for which the public voted. He pointed out that a comparison of operating expenditures of local public agencies revealed that the City General increased 56%, City Library (grant) 60.8%, City Parks (grant) 100.7%, Schools (Dist. No. 10) 104.7% and County 127.8%.

Mr Dillaway proposed that the City continue this budgetary year on what they have, then when the money runs out, finish on an emergency basis; during the next budgetary period, take care of the essentials such as fire, police and general government within the frame work of present revenues and finance other areas, such as parks, library, airport, etc. by means of a special levy.

Mayor Tollefson explained to the public that it is difficult to compare budgets of two cities whose operations are entirely different, as pointed out by Mr Dillaway. He said that no attempt is being made to dodge the issue, but general observations can only be met with general answers.

Mayor Tollefson explained to the public the overall financial problem, pointing out that the City since 1955 had to absorb over \$1,400,000 in loss of revenues and in additional fixed obligations. He also informed the public that prior to 1955, Tacoma had an operating budget based upon 18 mills. Since then the State Legislature, at two different times, has taken almost 4 mills from the City or approximately \$660,000. The City has been able to absorb these millage losses over the years without tax increases, but recent capital improvements voted upon by the people, such as the County-City Bldg, Transit System, Airport Escalators, etc. have created expenses in large sums which the City has not been able to absorb. The Department Directors and their personnel feel that, in effect, they are subsidizing some of the benefits and services being rendered to the people of the City.

With these facts in mind, the City Council has reviewed various revenue producing fields to come up with some measures that would be palatable to both the public and to the City Council. As a result, this and other Ordinances have been proposed in an effort to relieve the City's financial problems.

Mr Rowlands pointed out that 87% of Tacoma's operating budget is set aside for salaries and employee benefits, and the staff has tried to maintain these wages in line with those of private enterprise. The wages in Spokane are lower than in Tacoma and this accounts for the largest amount of difference in the two budgets.

Mr Steele quoted revenue figures from property taxes levied by the County, indicating that the amount remaining for the City's general fund, after other obligations, is barely enough with which to operate the fire department which is currently short four men. He also gave statistics regarding personnel shortages in the police and other departments, and the sums required for salaries to maintain services on a par level.

Mr King, an interested citizen, said that he had no quarrel with the department heads, but felt that certain departments could be dispensed with, such as Civil Defense, which could be handled by Red Cross, etc. Urban Renewal, which up-to-date has accomplished very little, although he recognizes that there is work ahead for them.

Mayor Tollefson informed Mr King that he was covering a multitude of things with a lack of complete information, and that partial information is very misleading.

Roll call was taken on the Ordinance as amended.

Ayes 7, Nays 1, Cvitanich; Absent 1, Haley  
The Ordinance was declared passed by the Chairman.

Ordinance No 17372.

Amending Section 6. 20/060 of the Official Code of the City to provide for examination fees for boiler plant operators. <sup>196</sup>

Mayor Tollefson said at the present time no fee is charged for the purpose of the boiler plant operator's examination

Roll call was taken on the Ordinance resulting as follows

Ayes 7, Nays 1, Cvitanich, Absent 1, Haley  
The Ordinance was declared passed by the Chairman

Ordinance No 17373

Amending Title 6 of the Official Code of the City relating to licenses and taxation and increasing certain license fees 196

Mr Steele moved to amend the Ordinance on Page 2, Section 2, Paragraph 6 09 040 by deleting the paragraph pertaining to Barber Shops. Seconded by Mr Bott. Roll call taken Ayes 8, Nays 0, Absent 1, Haley. Motion carried.

Mr Steele moved to amend the Ordinance on Page 4, Section 9, Paragraph 6 25 000 by changing the fee for a hotel or lodging house from \$25 00 to \$10 00 and 50¢ per annum to 25¢ per annum for each room therein. Seconded by Mr Bott. Roll call taken Ayes 8, Nays 0, Absent 1, Haley. Motion carried.

Mr Steele moved to amend the Ordinance on Page 9, Section 27, Paragraph 6 54 030 by changing the annual license fee for each motel, trailer court or mobile home park from \$40 00 per annum to \$10 00 and change the fee from 50¢ per annum to 25¢ per annum for each room. Seconded by Dr Herrmann. Roll call taken Ayes 8, Nays 0, Absent 1, Haley. Motion carried.

Mr Steele moved to amend the Ordinance on Page 10 by deleting from Section 30, consisting of six sections known and designated as Paragraphs 6 80 010, 020, 030, 040, 050 and 060 inclusive and further amending said title by changing the word "twelve" to "six" on the 8th line thereof, this deletes the vending machines, he added. Seconded by Mr Cvitanich. Roll call taken Ayes 8, Nays 0, Absent 1, Haley. Motion carried.

Mr Steele moved to amend the Ordinance on Page 11 Section 31 by changing Paragraph 6 82 040 to read as follows: 6 82 040 LICENSE FEE changing the fee for each location of a coin-operated laundry and/or dry-cleaning establishment from \$100 00 annually to \$25 00 annually, plus the sum of \$1 00 per machine for each machine in excess of five located in said establishment, payable in advance. Seconded by Mr Murtland. Roll call taken Ayes 8, Nays 0, Absent 1, Haley. Motion carried.

Mr Steele moved to add to Page 12 a new Paragraph to read as follows: The provisions of this ordinance shall become effective on the 1st day of July, 1963, except as to licenses issued prior to said date, and as to any such licenses issued prior thereto this ordinance shall become effective upon the expiration date of said license, and any new license or renewal of an existing license thereafter shall be governed by the terms and conditions hereof. Seconded by Mrs Price. Roll call taken Ayes 8, Nays 0, Absent 1, Haley. Motion carried.

Mr Murtland said he would like to amend Section 8, Paragraph 6 21 030, subsection (c) pertaining to grocery stores on Page 4, by changing the fee of \$10 00 for each check stand to \$5 00. Seconded by Mr Finnigan. Roll call was taken. Ayes 7, Nays 1, Steele, Absent 1, Haley. Motion carried. He said he felt this fee was more equitable.

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Mr. Murtland moved to amend Section 13 under license fees, Paragraph 6 32. 020 pertaining to petroleum vehicles, to reduce the fee from \$20. 00 per annum as proposed to \$15. 00. MOTION LOST FOR WANT OF A SECOND.

Mr. Murtland moved to amend Section 6. 47. 040 on Page 9 pertaining to the license fee for sign erectors from \$100. 00 per annum to \$50. 00 per annum. Seconded by Mr. Bott.

Mr. Browning, representing the sign industry, stated there is a Section in the Ordinance that is in effect now and has been for a number of years, that any sign that extends over a sidewalk is inspected by the City and a minimum fee of \$10. 00 per sign is charged. The fee as proposed is agreeable to the sign industry.

Roll call was taken on the amendment. Ayes 4; Nays 4. Finnigan, Herrmann, Steele and Mayor Tollefson; Absent 1, Haley. MOTION LOST.

Mr. R. O. Lowell, Northwest Manager for the Western Island Gas Association said his group feels that \$20. 00 on each vehicle is not an equitable fee. If this fee were imposed, it would be the highest fee on the West Coast. He felt this fee was excessive as far as what it costs the City for making these inspections. He said there would be no objection to the \$2. 00 charge per pump for a Service station, if that represents the fee of the City for checking the accuracy of the measuring device; however, they feel that the \$15. 00 license fee for Service stations is picking out one group of retailers, least able to carry this load as compared with other income of other retailers.

Mayor Tollefson said an attempt has been made by the Inspection Division of the License Dept. to determine what the cost of the service rendered might be, and this is the reason for the particular suggested fees for these operations.

Mr. Murtland said in view of what Mr. Lowell has said he would again renew the amendment to change the fee in Section 6. 32. 020 for petroleum vehicles from \$20. 00 to \$15. 00. He then moved to amend the fee from \$20. 00 to \$15. 00. Seconded by Mr. Bott. Roll call was taken. Ayes 3, Nays 5; Price, Steele, Finnigan, Herrmann and Mayor Tollefson; Absent 1, Haley. MOTION LOST.

Mr. Rovai, representing the Music Machine Industry in Pierce County protested the proposed increase in fees for the Music Machines, stating the industry could not absorb this type of increase. He pointed out that they currently were the highest taxed music machine operation in the State. He requested that the music machine operators be allowed to get together at a study session with the City Council and have them look over their books to prove that the proposed tax would work a tremendous hardship on the operators. He stated there are (7) operators in the City and to the (3) largest operators this would mean an increase of over \$1, 000 per year in taxes. He said he had a listing of over 100 machines that would be pulled out of various locations if this tax were effected as it costs the operator \$30. 00 per month to maintain a machine in a location. He requested that the City Council reconsider the Ordinance and allow the music machine industry an opportunity to justify their position.

Mr. Finnigan asked if the music machine operators have increased their fee in the last 10 years.



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Mr. Rovat said there had been no increase since 1950 and at that time it was changed from 5 to 10¢

Following a discussion by the City Council, Mr. Murtland moved to amend Section 6 28 040 on Page 4, the license fees for Music Machines to reduce the \$10 00 per annum fee to \$7 50 per annum. Seconded by Mr. Cvitanich. Roll call was taken. Ayes 7, Nays 1, Steele, Absent 1, Haley. Motion carried.

Mr. Murtland also moved to amend in the same Section under mechanical music machine license to reduce the fee of \$24 00 per annum per machine to \$18 00 per annum. Seconded by Mr. Cvitanich. Roll call was taken. Ayes 7, Nays 1, Steele, Absent 1, Haley. Motion carried.

Mr. Charles Hord, speaking on behalf of the restaurant operators, asked that the owner-operator's music machine license be given some consideration in reducing their amount of license.

Following a discussion by the City Council, Mr. Murtland moved to amend Section 6 28 040 on Page 4 under Owner-Operator's Music Machine license to reduce the fee from \$50 00 to \$37 50 per annum. Seconded by Mrs. Price. Roll call was taken. Ayes 7, Nays 1, Steele, Absent 1, Haley. Motion carried.

Mr. Hord stated he would like to comment on Section 6 40 040 on Page 7 pertaining to license fees for restaurants. He added, at present the fee for itinerant restaurant operators is \$8 00 and the proposed ordinance is reducing it to \$4 00. He wondered why this fee is being reduced as the Health Dept. contends that this is an area where public health is a problem. The restaurant industry feels that the proposed increases for restaurants, drive-in restaurants and cabarets are excessive.

Mayor Tollefson explained the proposed increase in fees for drive-in restaurants and cabarets are predicated on the policing problem and also regard is given to whether or not the original license fee as charged was adequate for services rendered.

Dr. Fargher, Director of the Health Dept., explained that in 1953 when the fees were set for the restaurants, the Health Dept. asked that the fee be set at \$12 00 to \$15 00 because the fee hardly covers the charge of inspection.

Mr. Murtland said he had questioned the amount of the increase for a Class 1 and Class 4 restaurant. He moved to amend Section 6 40 040 on Page 7 the license fees concerning restaurants in Class 1, seating 25 and over to reduce the fee from \$35 00 to \$25 00. MOTION LOST FOR WANT OF A SECOND.

Mr. Murtland moved to amend Section 6 40 040 on Page 7, license for Class 4-drive-in restaurants, to reduce the fee from \$50 00 to \$35 00. Seconded by Mr. Bott. Roll call was taken. Ayes 2, Nays 6, Finnigar, Harimann, Cvitanich, Price, Steele and Mayor Tollefson. Absent 1, Haley. Motion LOST.

Mayor Tollefson asked if anyone else present wished to be heard regarding the licensing Ordinance.

No one else requested to be heard.

Roll call was taken on the Ordinance as amended.

Ayes 7, Nays 1, Cvitanich; Absent 1, Haley

The Ordinance was declared passed by the Chairman

Ordinance No. 17374

Amending Section 6 68 270 of the Official Code of the City relating to occupation tax and deleting small loan companies from exemptions <sup>197</sup><sub>221</sub>

Mr Earl Mann, Attorney, retained by 14 small loan companies stated they are objecting to the amendment to the Ordinance which would eliminate small loan companies from exemption of the business and occupation tax. They object to the differentiation between small loan companies and other financial institutions. He added, small loan companies are a part of the financing system which was set up by the statutes, and as such, should not be subject to the business and occupation tax. He added, in 1958 the City Council recognized the fact that it was not sound to impose a percentage of gross tax on small loan companies, and at that time a license fee in lieu of the percentage tax was imposed in the amount of \$150.00 per year. He said small loan companies recognize their responsibility to share in the cost of government and they have authorized him to propose that the annual license fee be increased from \$150.00 to \$200.00 in lieu of the imposition of the percentage of gross tax under the business and occupation tax.

Mayor Tollefson asked if small loan companies paid the B & O tax to the State.

Mr Mann answered that they did.

Dr Herrmann said he approved of Mr. Mann's suggestion of increasing the license fee, however, he did not know whether the \$200.00 fee would be the correct amount.

Following a discussion by the City Council, Mayor Tollefson stated the Council would study the suggestion presented by Mr. Mann.

Dr Herrmann moved to postpone the Ordinance for one week, until July 2, 1963. Seconded by Mr. Murtland. Voice vote taken. Motion carried.

Mr Murtland asked Mr. Mann to submit some information on what other Cities are doing in approaching the problem of taxing the small loan companies at the meeting next week

Ordinance No. 17375:

Amending Section 6.62.010 of the Official Code of the City and making bowling subject to admission tax. <sup>197</sup><sub>222</sub>

Mr. Tuell said he was appearing as an officer of the Greater Tacoma Bowling Association. He added, this ordinance will place the bowling alleys within the City of Tacoma at a competitive disadvantage to those that are outside of the City limits.

Mr Murtland asked what other amusements were currently paying the amusement tax.

Mr. Rowlands explained that Theaters, Golf courses, Roller Skating rinks, Dancing and any special events pay an amusement tax.

Mayor Tollefson said, in regard to the comment raised by Mr. Tuell that this license fee will be placing Tacoma bowling alleys at a disadvantage to those in the County, he stated, he did not want to jeopardize the bowling industry inside

the City, therefore he thought this should be discussed with the County before action is taken on the Ordinance.

Mr. Bott suggested that it would be wise to get further particulars on this matter before the Ordinance is acted upon. Mr. Bott moved to postpone action on the Ordinance for one week to obtain further information. Seconded by Mr. Finnigan. Voice vote taken. Motion carried.

Ordinance No 17376.

Amending Section 6.64.050 of the Official Code of the City to increase the occupation tax on persons engaged in the telephone business and also selling of natural gas. 197  
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Mr. Hodge, Attorney representing Washington Natural Gas Co., said the Company now pays a franchise tax of 2% of its gross revenues from sales in the City. In 1963 the Company will pay to the City of Tacoma \$62,945 as a result of the franchise tax. The franchise is not now an issue as the 2% is fixed for the next 20 years.

In addition to this tax the Company also pays to the City a 3% B & O tax upon its gross sales within the City. The City is now proposing to increase that tax to 6%. The tax that is charged to the Gas Company is charged directly onto the consumer on their rates. This increase will amount to approximately \$70,000 that the customers will have to pay. He felt it was unfair to the community and to those who would have to pay the tax.

It is apparent the City needs money, but it still doesn't justify a policy of unfair taxation. Gas users comprise between 10 to 15% of the fuel consumers, Mr. Hodge continued. The balance are served substantially by solid or liquid fuels. The gas purchaser now pays a 3% B & O tax while the tax upon users of liquid and solid fuels are paying only 1/10th of 1%, an indirect tax which is paid by the fuel dealer.

Mr. Hodge contended that the Gas Company should not be expected to pay the 8% tax paid by all other utilities because it was a private enterprise unlike City light. He added, if there is to be an increase of taxes on fuel, then it is only fair that all fuel taxes be increased.

Mrs. Price asked Mr. Leland Jones, Manager of the Washington Natural Gas Company, if the customers of the gas company paid the 4% sales tax.

Mr. Jones replied there is no sales tax, however, there is a 2.4% utility tax which is reflected in the rates passed onto the consumer.

Mr. Murtland asked if this 3% B & O tax would take care of the advantage, over other fuel dealers, by the Washington Natural Gas Co. having a monopoly in this area.

Mr. Jones stated as far as having a monopoly, he didn't think it would be feasible for the City to permit two gas companies to operate in the City. The gas company is a competitive business of selling fuel and people buy fuel based upon the price and quality of the product.

Mayor Tollefson asked Mr. Jones if he recalled whether or not it was the position of City light at the time the franchise was first considered for natural gas that natural gas was a competitor of electrical energy and that City light officials as such felt that the users of gas should pay to the City the same proportionate

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amount of tax or revenues that the light company pays to the City.

Mr. Jones stated he had never been in a discussion anywhere that that matter has been mentioned where City light officials were present.

Mayor Tollefson said if your rate of pay to the City were such that the advantage would be in favor of the gas company, which would result in a saving to the user, to the end, that City light would provide no more heat but only provide light, would it not result in a decrease in revenue to the City of Tacoma as compared to the amount that the City would otherwise get from City Light.

Mr. Jones stated, it should not be the policy of the City Council to make it easy for City light to compete with private industry.

Mayor Tollefson said the question is whether or not the light users who in effect also pay 8% to the City of Tacoma because they use lights, should pay a greater proportion than the Gas company.

E. M. Murray, Attorney, speaking on behalf of the Tacoma Fuel Dealers, said they were not taking any position regarding this tax imposed upon the Gas Company. He wanted to point out that the amount of tax paid by the fuel dealers he represents, pay a sales tax of 4%, a license for each vehicle and also a B & O tax to the City and State. When all of these taxes are added together they are considerably higher than those paid by the Gas Company.

Mr. King read into the record a letter that had been distributed to the City Council signed by Leo Gallaher, protesting the proposed tax increase for the Gas Company.

Mr. Stan Warburton also protested the proposed increase in the tax for gas.

Mayor Tollefson pointed out that the other utilities of the City were currently paying 8% such as water, garbage, sewer and lights.

Mr. Murtland moved to amend sub-paragraph (b) in the 3rd line where it reads 6%, change to 3%. Seconded by Mr. Finnigan.

Mr. Benfield, representing Pacific Northwest Bell, spoke in opposition of the proposed increase of the telephone tax from 8% to 9%. If this tax were increased it would make Tacoma citizen's the highest tax telephone users in the State.

Mr. Kettler, Secretary to the Joint Labor Committee, felt that the Gas Company should be treated the same as City Light in regard to paying taxes to the General Fund. The Gas Company is in competition with the Light Company and he couldn't see one paying 8% to the General Fund and not the other.

Mr. L. H. Pedersen, representing 25,000 members of the Tacoma Central Labor Council, said the members voted in support of these ordinances. He added, this year the City employees have been subsidizing the Parks, Transit System, etc., and they are getting short changed on wages. The people in Tacoma wish services, but they do not want to pay for them. These City employees are paying for it, there is no feeling for those employees.

Mrs. Price said the City will have to pick up this money from some source or another. The rest of the utilities are paying 8% tax, the users of gas are paying 5% and the oil companies pay a 4% sales tax. The gas users do not pay a 4% sales tax, payable to the State; therefore she thought the gas users are paying less than the oil users.

Mayor Tollefson stated, at the time the Washington Natural Gas Co. began operation in Tacoma, concessions were made at that particular time by the City until their business was established. The representatives of the Gas Company

now claim there was no understanding to that effect, however, there was an understanding among the members of the City Council One adjustment was made increasing the B & O tax to 3%; however, it was not on the proposition that 3% and 2% franchise tax was an equal contribution by the users of gas as against the users of electricity, telephone, etc He added, there was an understanding as far as the Council was concerned that they reserved the right to equate the taxes that would be paid by the gas users to the City of Tacoma at some time in the future

Dr Herrmann said, somehow or other an equitable increase in taxes has to be made, but he didn't know where it would come from He stated he was firmly convinced that the economies have reached the limit where, more tax money is necessary, and he is willing to assume his political responsibility of voting for whatever additional taxes are necessary to run an efficient government.

Mr Steele said, it is no secret that in order to bolster the revenues of the City, the City Council is considering these ordinances to raise revenues He reviewed the City's financial plight regarding lost revenue from the State, added fixed obligations, and related again the City Council's responsibility

Mayor Tollefson said the question is whether or not we are going to make the City employees absorb these costs by no reasonable increases or whether services have to be cut

After some discussion Mayor Tollefson said, in analyzing the Gas tax along with other taxes, since the Gas company pays some taxes which revert to the City by reason of real estate tax, he thought that a 2% increase for the Gas Company would bring them more in line with what the other Utilities are paying

Mayor Tollefson said there is a motion on the floor to decrease the tax from 6% to 3% for the Gas Co. He suggested that this be defeated and that an amendment be made by changing the tax from 6% to 5%.

Mayor Tollefson asked for a roll call on Mr Murtland's motion to reduce the Gas tax from 6% to 3%. Roll call was taken on the motion Ayes 2, Nays 5, Herrmann, Price, Steele, Finnigan and Mayor Tollefson. Absent 2, temporarily, Bott, Haley. MOTION LOST

Mrs Price moved to amend the Ordinance in sub paragraph (b) 3rd line down where it reads six percent, change to five per cent. Seconded by Dr. Herrmann. Roll call was taken on the motion Ayes 6, Nays 1, Steele; Absent 2, Bott temporarily and Haley. Motion carried

Mr. Murtland said he would be in favor of the telephone tax, however, he was not in favor of the gas tax.

Roll call was taken on the Ordinance as amended.

Ayes 5, Nays 2, Cvitanich and Murtland, Absent 2, Bott, temporarily and Haley. The Ordinance was declared passed by the Chairman

Ordinance No 17377:

Amending Section 6 70. 010 and 020 of the Official Code of the City to raise the gross earnings tax of the Belt Line Division. 198  
229

Mr. Steele moved that the Ordinance be postponed for two weeks until

July 9, 1963 Seconded by Mrs Price Voice vote taken Motion carried

Ordinance No 17378.

Amending Section 6 70 040 of the Official Code of the City to delete certain deductions from utility charges 198  
779

Mr. Steele moved the Ordinance be postponed for two weeks until July 9, 1963. Seconded by Mrs. Price. Voice vote taken. Motion carried.

UNFINISHED BUSINESS

The Director of Public Works presents the following assessment rolls for hearing

a L I D 6794 for street lighting on Fawcett Ave. from So 4th to Jefferson. 6th Ave from St Helens Ave to Fawcett

Mr Murtland moved that Monday July 22, 1963 at 4.00 P M be set as the date for hearing for L I D 6794 assessment roll Seconded by Mr Cvitanich. Voice vote taken Motion carried.

b L I D 6792 for street lighting on No 42nd & No. 43rd from Orchard to Highland, No 44th from Orchard to Shirley & Winnifred to Highland

Mr Murtland moved that Monday August 12, 1963 at 4 00 P M be set as the date for hearing for L I D 6792 assessment roll Seconded by Mr Cvitanich. Voice vote taken. Motion carried.

ITEMS FILED IN THE OFFICE OF THE CITY CLERK

- a Report from the Fire Dept. for the month of May 1963
- b Personnel report for the month of May 1963.
- c Tacoma Police Dept report for the month of May 1963.
- d Director of Finance report for the month of May 1963
- e 22nd Annual Report of the Tacoma employees Retirement System for 1962

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There being no further business to come before the Council, upon motion duly seconded and passed, the meeting adjourned at 10:45 P M