

OCT 3 1960

429

CITY COUNCIL BUDGET HEARING

Monday, October 3, 1960
 City Council Chambers, 7:00 P.M.

Council reconvened from the meeting of September 27, 1960 for the hearing on the 1961 budget. Present on roll call 7, Bott, Cvitanich, Easterday, Olson, Price, Steele and Mayor Hanson; Absent 2, Murtland and Porter. Porter coming in at 7:35 P.M.

This is the date set by State Law for the hearing on the budget for 1961.

Mayor Hanson said the meeting has been continued from last Tuesday in order to comply with the State Law which sets the date for hearing on the budget.

Mr. Rowlands said there are a number of representatives from the various unions present, and also some Legislators and Businessmen present.

He said, as was pointed out at a previous meeting, the City has departed from the usual procedure this year by including two budgets in one. In order to differentiate the supplementary budget from the proposed preliminary budget, the blue sheets were used. He said the items included on the blue sheets were supplemental in nature, but, he thought they should have been included in the regular budget because it is his feeling that the requests were justified.

He added that many weeks have been spent in compiling the preliminary budget, which is the financial recommendation from the Manager and his staff to the City Council for the coming year. He further added that each item was checked individually with the Department Directors and their staff members before reaching the City Council. Mr. Rowlands said this year the Department Directors have presented the most realistic budget that has been submitted for some years.

For the benefit of some of the Legislators present, he said he had prepared and distributed to the City Council members last August, a memo indicating the needs of the Cities in various areas. Recommendations were made in the Police and Fire Departments, Health Department, Public Works Department, City Library, etc., and would like to see them accomplished if the money were available. The recommendations indicated that there was a difference of about 7½ million dollars needed as opposed to money available to meet those needs. He said the Good Roads Association met in Yakima this past weekend and it was interesting to note that the report submitted to the Fact Finding interim Committee on Highways and Streets disclosed that the needs of the Cities were the greatest needs of any jurisdiction in the State. In brief, if any additional monies are made available by the Legislature for streets and road improvements, the definite need is in Urban Arterials, he added.

Mr. Rowlands said the request from the Association of Washington Cities to the Legislature this year will be for a small share of the sales tax revenue so that some of these demands and requirements can be met by the City Councils all over the State. It will be a request for 1/20th of the sales tax revenue representing 5% of the total revenue. That compares with 25% of the sales tax revenue in the State of California, 2½% in the State of Illinois, and 50% for Cities in the State of Michigan. Mr. Rowlands said it should be emphasized that it is the feeling that the City's budget will demonstrate the fact that every economy possible has been effected, and that the estimates for 1961 which were developed some six months in advance are definitely realistic. The budget is figured quite accurately and when necessary to cut in certain areas we don't know whether or not we will have enough money to cover the total for the year. Also, it is almost impossible to predict to the nearest dollar how much is to be spent on all of these accounts. At the end of the year some accounts are over expended while others are a little under, so that transfer between accounts is sometimes necessary. This year, he added, out of \$10,000,000 budget, we will be very fortunate to come up with a surplus of \$30,000, as this budget is a tight budget.

Mr. Rowlands outlined where the "budget dollar" comes from. He said 3½% comes from the property tax, 18½% from State-collected revenues; 16½% from Utility Taxes and charges; licenses and fees-15% miscellaneous 7%; fines and forfeitures -4.6%; use of money and property-4%; prior year surplus- 4%.

OCT 3 1960

Mr. Rowlands outlined where the budget dollar goes:

Fire Department	25%
Police Department	20%
Public Works	19%
Debt Redemption	12%
Staff Departments	8%
Library	5%
Metropolitan Park	3%
Employee Benefits	3%
Health & Welfare	3%
Non-departmental	2%

He pointed out that prior to 1954 the City of Tacoma did not make any contributions to the Metropolitan Park Board. During that time the Legislature gave to the State 2 of the 3 mills which the Park Board was using, and from that date on the City Council has had to appropriate a total of approximately \$2,000,000 over the last six years to keep the parks operating.

He added that the 1960 census had an adverse effect upon the City in this regard as more population was estimated for the City than proven. For each individual the City receives \$13.20 from State-collected locally-shared taxes, so as a result of the reduction in what the City had estimated, next year instead of receiving what was expected the City will be receiving \$144,000 less. The move to the County-City Building meant a cost increase of approximately \$160,000 a year.

He said all of these factors have made it most difficult for the cities to operate since they do have other fixed expenses. As a result of this entire picture it was necessary to cut \$183,000 from the operating departments this year in order to balance the budget before any recommendations were made to the City Council with regard to adjustments. In order to make adjustments, it was necessary to cut another \$140,000 out of the open budget, so this is truly a budget of austerity, and it is most difficult to get money for salary-wage adjustments.

Mr. Rowlands outlined the total General Government expenditures by category on the chart, which included the 1/2 step increase in salary. He said the City Council had the \$140,000 reduction program several months ago, and at this point the budget included a proposed 1/2 step increment. The Supplementary Budget to be shown will include another 1/2 step increment in addition to a number of other recommendations.

General Government Expenditures- "by category"

	1960 Budget	% of total	1961 Budget	% of total
Salaries- Benefits	\$6,796,553	64.4	\$7,012,462	63.7
Maintenance & Operation	1,483,819	14.0	1,557,333	14.2
Capital Outlay	482,994	4.6	1,271,693	11.5
*Interest & Debt Redemption	1,246,774	11.8	1,271,693	11.5
Non Dept. Sundry Charges	546,794	5.2	607,867	5.5
Total General Government	\$10,556,934	100.0%	\$11,011,801	100.0%

* Mr. Rowlands explained these are fixed obligations. Included in this amount are the retirement on the Ball Field, in addition to the amount necessary for the Airport. However, the amount of money set aside for the redemption on the bonds for the Ball Park will be paid for by revenues from the operations.

Mr. Rowlands outlined the source of revenue:

	Estimated Revenues		Increase over 1960
	1960	1961	
Property Taxes	\$3,282,772	\$3,724,201	+ 13.4
License and Fees	1,574,406	1,674,050	+ 6.3

	1960	1961	Increase over 1960
Utility Gross Earnings Taxes	\$1,549,798	\$1,586,202	+ 2.3
Liquor Taxes	955,152	962,696	+ .8
Gas Tax	599,225	591,956	-1.2
Fines and Forfeitures	485,000	509,800	+ 4.8
Motor Vehicle Excise Tax, Charges to Utilities, and Parking Meter Collection . . .	Virtually the same as for 1960		
Property Rentals	89,981	137,286	+ 52.5
Interest Earnings	The same		
Franchise	84,603	83,303	- 1.5
Gift Bridge Recovery	42,358	55,586	+ 6.2
Prior Years Surplus	58,533	45,000	-23.0
Miscellaneous	940,968	757,357	-19.5
Total	\$10,556,934	\$11,011,801	+ 4.3

Mr. Cvitanich asked if there was anything anticipated in the expenditures for downtown parking garages in the event the litigation clears and the construction gets underway.

Mr. Rowlands said in discussing this with the City Attorney he advised that even if this project were begun, it would not be necessary to pledge any funds during the year 1961.

Mr. Rowlands outlined the City's estimated expenditures for the year 1961.

- City Council - slight increase due to the legislative program.
- City Clerk- there is quite a reduction due to no elections for the year 1961.
- City Manager - 3.9% increase
- Police Court - 9.8% increase due to a new employee being added to the Court.
- Finance - \$363,000 - an increase of 4.3%.

Mr. Rowlands explained that most of the increases are due to the fact that salary adjustments have been reflected. He explained that the City Council has taken the position that they would like to pay the going rate as near as possible for different classes of employment. A wage and salary survey has been made for the past six years. Some 69 different businesses in the City responded to this survey, plus some additional firms for the engineering survey. Consequently, when recommendations are made to the City Council regarding wages and salaries, they are predicated on the information contained in this report.

- Legal Department- provides for a full time Attorney to be assigned to the Urban Renewal Department. However, he added, the City will be reimbursed for this employee by the Federal Government.
- Planning Department- an increase of 5% due principally to normal within-range step increases.
- Personnel- an increase of 5.8% also due to normal within-range step increases.
- Civil Defense - 1.2% increase.
- Urban Renewal -8.7% decrease as the position of Property Management Supervisor has been transferred to the Center Street Project Budget.
- Police - 3.4% increase.
- Fire- an increase of 5.3%. In this amount of \$2,714,000 there is approximately \$75,000 for additional personnel due to the Fire Grading program.
- Health and Welfare- a decrease of 2.1%.
- Public Works - an increase of 6%. Included in this total is street lighting maintenance of \$140,000 and \$42,000 for energy.
- Cumulative Reserve Capital Outlay & M & O - which is considered an emergency fund- \$10,000 is a very modest amount. Mr. Rowlands added that most cities the size of Tacoma would normally have a minimum of \$100,000 in that fund as it cannot be predicted what emergencies may occur.
- Park Board - an increase of 4.3%. This represents a reduction of \$13,000 from what was requested by the Library Board.

Library- an increase of 45%. This includes \$40,000 for the paving of the ball park and a number of sundry items.

G. O. Bond - 2.0% increase. Included in this figure is the retirement for the bonds for the ball park which will be paid for by the earnings of the ball park. Also included is an item for \$22,000 for the bonds for the proposed peninsula airport site. Those particular bonds will be redeemed out of the operating budget.

Mr. Rowlands further stated that the total proposed Budget as set up at this is \$11,011,801. He said between now and Friday, if the Council so desires, other changes can be made.

Mr/ Rowlands said a recapitulation of the General Government Budget for 1961 is as follows:

	<u>1960</u>	<u>1961</u>
General Departments	\$9,180,600	\$8,511,718
General Non-Departmental (including Library, Park and L I D participation)	1,129,551	1,228,390
Interest and Debt Redemption	1,246,774	1,271,693

Mr. Rowlands said this time next year the Council will be faced with a stringent situation. The \$175,000 which the City has been budgeting for the LID participation program normally came from the operating budget. This year because of the very fortuitous circumstances of receiving excellent bids on the Yakima Avenue Bridge, etc., the City was able to realize some \$450,000 savings which would have ordinarily been spent. As a result of this savings the \$175,000 was budgeted from the \$450,000 savings from the Street and Bridge Bond Fund of 1958. This money has already been earmarked for many other projects which the City badly needs, so that it will be most difficult to get \$175,000 next year from the Operating Budget.

Mr. Rowlands continued, the following items are, more or less, self supporting funds or revolving funds, but have to be budgeted according to State Law:

The Retirement System, Revolving Funds:	
Airport Construction Fund for	\$ 550,000;
Civic Auditorium for	6,500,000;
Transit System for	850,000;
Garbage & Sewer Utilities combined for	2,456,637;
Light, Water & Belt Line for	30,728,596;

Mr. Rowlands explained that the Supplemental Budget of \$867,000 is predicated on receiving some relief from the State collected locally shared taxes, which would amount to \$867,000. In the event this money is received, he pointed out how it could be spent:

Half-step employe wage increases	\$ 168,000
Addition to the equipment replacement fund	100,000
Addition to the emergency fund	30,000
Departmental capital outlay	24,716
Mechanized accounting	25,000
A "silent" alarm system (so that each fire alarm in the city does not ring in all city stations)	8,800
Two additional holidays for policemen and firemen (to bring them up to the 9 received by other city employes)	20,000
A central photo and reproduction system.	17,000
A citywide mowing and brush cutting program	64,400
Paying Policemen and firemen time-and-a-half for overtime	32,000
An additional 25 policemen and police equipment	142,772
Reduction in the firemen's week to 52 hours (necessi-	

tating the hiring of 24 additional firemen to maintain company strength)	\$ 140,000
Hiring an additional civil engineer and public health sanitarian	12,612
Extending so 19th St., Bantz to Visscher	62,000
New traffic signals	8,000
Right of way acquisitions	10,000
Increase in clothing allowance for police plainclothesmen	1,700

Mr. Clinton S. Reynolds, past president of the Washington State Good Roads Association, said he feels the Cities have a better opportunity of receiving the requested increase in gas tax than they have of receiving the 5% of the state sales tax revenues. He said members of the Association who met last week in Yakima generally agreed that adequate urban arterials are the State's No. 1 Highway need.

PLANS FOR 1961

Mr. Rowlands outlined the Plans for 1961:

1. Financial relief of Washington Cities at 1961 Legislative session.
2. The Transit System.
3. Development of the Municipal Airport.
4. Continuation of Urban Renewal programs.
5. Retention of Class 3 Fire Rating.
6. Development of a Civic Auditorium.
7. Downtown revitalization - including escalation and perhaps downtown garages.
8. City Beautification program.
9. Downtown Pedestrian mall.
10. Sewage System Improvements.
11. Structure Program - including bridges, storm bridges, street and street lights still using the 1958 Bond money.
12. Puget Sound Regional Transportation Study.
13. Century 21.
14. Development of City Wide Mowing and Brush Cutting Program.

Mr. Rowlands said this in no way completes the program of the City for 1961, but it gives a general idea of what is expected to be accomplished.

Mayor Hanson announced that, inasmuch as Tuesday evening was the regular meeting of the Council, no Budget hearing was scheduled. However, meetings would be held the remainder of the week in discussing further budget matters.

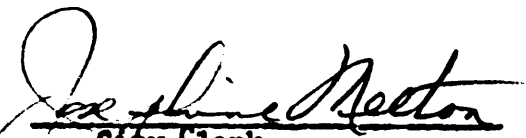
Mr. Rowlands said the Retirement Board will meet with the Council at 7:00 P.M. on Wednesday, October 5, 1960. The Park and Library Boards will also be in at 7:30 P.M.

Mr. Steve Stelmec, representing the Technical Engineers & Architects, asked to meet with the Council also on Wednesday.

A member of the Joint Labor Committee asked to meet with the Council Thursday evening. A meeting was scheduled for 7:00 P.M. Thursday, October 6, 1960. Meeting recessed at 10:P.M. to reconvene at 7:00 P.M. Tuesday, October 4, 1960.


Mayor of the City Council

Attest:


City Clerk