

CITY COUNCIL BUDGET HEARING

City Council Chambers
Monday, Dec. 1, 1969.

The meeting was called to order by Mayor Rasmussen at 7:00 P. M.

Present on roll call 8: Benfield, Cvitanich, Finnigan, Herrmann, Jarstad, O'Leary, Kerkovich and Mayor Rasmussen. Absent 1: Dean. Mr. Dean arriving at 9:20 P. M.

Mayor Rasmussen announced that this is the first hearing on the Budget for 1970.

Mayor Rasmussen introduced the Council members and greeted the audience and thanked them for showing an interest in the operating plan for the City for 1970.

Mr. McCormick explained he would endeavor to point out over a period of five years the different taxing agency's share and the total taxes which have been paid each year. He said Mr. Gaisford, Director of Finance, will then point out how the City uses its share of the tax received.

Mr. McCormick then explained the property tax millage comparisons from the year 1965 including 1970. The total millage which was collected during those years on real estate and personal property is called general taxes. 1965, 84.39; 1966, 79.28; 1967, 90.08; 1968, 84.70; 1969, 87.40 and 1970 94.74. The total millage includes County of Pierce, City of Tacoma, State of Washington, Port of Tacoma, Tacoma School District and Park District. The school millage each year has been the largest millage.

Mr. McCormick explained in 1970 the millage for the City of Tacoma will be 25.14. There is a statutory provision which provides that the total of all taxes shall not exceed the amount of 40 mills, with two exceptions, the public utility districts and the port districts. The total millage of 94.74 includes 54.74 mills which the voters of the City voted in by special issues which were placed on the ballot.

Mr. McCormick continued, the millage of 25.14 is the millage which a tax payer actually pays toward the operation of the City government. This millage is a very small amount in which to operate the government as compared to the total millage of 94.74. Out of the 25.14 mills, only 14 mills financed the Fire, Police, Public Works Dept. and many of the general government operations. The Fire Pension system receives 10 mills. The Bond Redemption and Interest Fund uses 6.21 mills. The balance of 2.93 mills was a special millage for fire equipment which was voted on approx. 3 years ago. Mr. McCormick asked that Mr. Gaisford explain the budget in detail.

Mr. Gaisford felt that the citizens of Tacoma are interested in knowing why a budget was submitted to the City Council which was out of balance in the amount of approx. \$2,020,797.

Mr. Gaisford explained the sources of revenue, which he will enumerate, are set up by the regular accounting principles devised and approved by the Division of Municipal Corporations and the National Standard. Property taxes increase each year but the property tax revenues in budget practices are used as the last source in balancing a budget.

Mr. Gaisford mentioned that this method has changed throughout the State of Washington because all divisions of government are levying the maximum amount of taxes that they can possibly obtain. In Tacoma, 14 mills is used for General Government, and in looking at the property taxes, it is found that during the year 1970 Tacoma will receive approx. \$277,682.00, which will be more than in 1969.

BUSINESS & OCCUPATION TAXES, LICENSES & PERMITS

The general economy of the City will show an increase in this particular revenue in the amount of approx. \$133,356.00.

319

UTILITY TAXES

These taxes are based on five utilities: lights, water, sewer and garbage, which are taxed 8%. The Belt line R/R is taxed at 5%. The estimated increase for 1970 is approx. \$294,476.00.

USE OF STREETS

This pertains to the parking meters and since they are being removed from the downtown area, it is estimated that the parking meter revenue will decrease \$18,000.00 in 1970.

FINES & FORFEITURES

This is an operation which is handled through the Municipal Court and at this time it is anticipated that \$36,000.00 will be received in 1970.

Mr. Gaisford also explained that a new fine schedule has been set up, so by the final adoption of the budget this will be increased to \$150,000.00.

USE OF PROPERTY AND MONEY

The General Government at the present time is investing warrants outstanding, and it is felt that the increase in this revenue will be approx. \$57,200.00.

STATE COLLECTED REVENUE

These revenues are dropping as monies from aid to Cities and the liquor tax will not be as great. It is estimated that approx. \$562,814.00 will not be received from the State in 1970.

CHARGES FOR CURRENT SERVICE

It is estimated that approx. \$24,002.00 will not be received for 1970.

OTHER REVENUES

Mr. Gaisford indicated in this category there will be a decrease of \$85,156.00.

UNEXPENDED BALANCES

At the present time there is no way of telling how much surplus there is going to be for 1969. The Department heads have estimated that this will be approximately \$138,000.00, however the staff is not predicting this unexpended balance at this time. They feel, in all probability the unexpended balance for 1970 will be approx. \$342,719.00 less than in 1969.

Mr. Gaisford explained that the estimated decreases in Revenues for 1970 are a large part of the \$2,020,797.00 deficit.

Mr. Gaisford said he would now outline the increases requested for 1970 for each Department.

Public Works	\$ 47,063
Fire Dept.	289,586
Police Dept.	617,968
Staff Depts.	94,731
Interest & Debt Redemption	296,479
Library	130,952
Parks	124,001
Non-Departmental	92,355
Health & Welfare	32,235
Transit Subsidy	232,523

Mr. Gaisford explained the increased costs amount to approx. \$1,957,893.00 for 1970.

Mr. Gaisford further explained that the 1970 Preliminary Budget General Government dollar is broken down as follows:

2.46¢	Police Protection
1.28¢	Fire Protection
1.24¢	Staff Depts.
1.85¢	Interest and Redemption
5.31¢	Library
2.74¢	Public Works
1.87¢	Transit Subsidy
3.03¢	Health & Welfare
2.51¢	Non-Departmental
4.71¢	Parks

These are all of the figures that show why the City Council is faced with the problem of eliminating approx. \$2,000,000 to balance the 1970 budget, as well as having an additional deficit if there is any increase in salaries for the year 1970 contemplated.

Mr. Floyd Oles, 1018 So. 60th asked if this budget had to be adopted before the Legislature reconvenes in Olympia in January. He felt they would grant the authority to local governments the power to levy a tax, and if so, this would certainly help in reducing the \$2,000,000 which the budget is out of balance.

Mr. Gaisford explained this had been discussed with Mr. McCormick, Acting City Manager today. Last year a figure had been placed in the 1968 budget which was over and above what was actually given to the City by the Legislature. When the State Aid was received it was found that the City was \$428,000 short of their estimated amount, and the Council was informed that corrective action must be taken.. This could be done by cutting the budget or produce revenues to cover the loss of the revenue; \$50,000 was borrowed and the balance was predicated on savings at the Department level.

Mr. Gaisford continued, it is possible to place a contingency in the budget on the assumption that the State will supply aid, but at the same time a statement will have to be placed in the budget whereby if the aid does not come from the State that the budget will immediately be cut back, or supplement what does not come from the State with other taxes.

Mr. Gaisford stated the corrective action that has to be taken is to cut the department budgets because these budgets as presented were budgets that had not been cut. He was quite certain that this deficit will be overcome with the cooperation of each department.

Mr. Karl J. Beaty, 2719 So. 62nd St. felt that the total budget figures between the years 1965 and 1970 have increased to an enormous degree and could not see why such an increase was warranted.

Mr. Gaisford explained that Actual Expenditures for the years 1965, 1966, 1967 and 1968 have been computed, however, appropriations for 1969 and 1970 are only tallied. Therefore it is obvious that actual expenditures and appropriations are two different items.

Mr. Finnigan said it should be pointed out that at times during the years there has been a millage set for just one year voted upon by the citizens, and that is one reason why the millage is higher for 1970.

Mr. Gaisford explained that in 1971 if no special millage is required, the millage will drop to 21.16 mills for the City alone.

After some discussion, Mayor Rasmussen announced that the Library representatives will now present their budget.

Mrs. Edward T. Bowman, 158 So. 45th, a member of the Library Board explained that the Pres. of the Library Board has presented the Library budget to the Council on Friday evening. She informed the new members of the Council that the Council does not set

the salaries for the library personnel, it only makes appropriations to the Board. The Library Board is the bargaining agent for the Library staff. They have asked for \$130,952 increase to operate the Library System. The services given by the Library are based upon the money that is allotted.

Mr. McCormick stated, he understands that the Library budget includes the wage and salary increases for 1970 and asked how much does this amount to, percentage-wise.

Mrs. Bowman explained that it is a 7.3% increase.

Mr. McCormick said, then this was over and above the regular one step increase.

Mr. Ibottson, Library Director, explained, if the salary increases are not equitable with the City's increases the Library Board would consider any adjustment to keep it equitable. This has been the Board's policy for years, he added.

Mayor Rasmussen asked if a reduction in Library hours is necessary, how much of a saving would it be.

Mr. Ibottson explained, the overhead expense is there regardless, and the number of employees would be the only question. He couldn't answer this at the present time. He mentioned that public service is the Library's only business.

Mayor Rasmussen asked what saving would be accomplished if the Libraries would stay open only eight hours a day instead of twelve.

Mr. Ibottson said he could not answer that question at this time.

Mayor Rasmussen asked that a chart be prepared giving the Council the approximate figure of savings for closing the Library two hours a day, and/or four hours a day. He also asked what percentage is wages in their total budget.

Mr. Ibottson explained the wages amount to 70.6%. He also mentioned that he would prepare the figures requested, but that he would also have to submit them to the Library Board.

Mr. Omar Bratrud, Vice Chairman of the Metropolitan Park Board, pointed out that three quarters of the Park Board budget goes for staff salaries, however, the district has three fewer employees now than it did in 1960. A chart also showed the acreage owned by the Park District in 1969 as compared to 1960. He noted the Park employees are dedicated people and do a tremendous job. The automatic sprinkling systems also have helped to cut the manpower, but without the millage program which the Park District sponsors every five years or so, none of the improvements would have been possible.

Mr. Bratrud explained that they are asking for the same amount of money as last year to continue the present service level, plus \$124,000 which would increase their personnel staff, as well as helping to continue improvements to Titlow Beach Park and Pt. Defiance. This amounts to approx. \$930,000, he added.

Dr. Hugo VanDoren, a member of the Board of Trustees of the Community Mental Health Clinic, requested \$21,000 from the City to be used to help support a crisis clinic and emergency service. This service is aimed at saving persons contemplating suicide and is now receiving nearly three hundred calls a month. Many volunteers have been helping in this program, and of course the main principal of the program is to restore these people back to health as soon as possible.

Dr. VanDoren urged the Council to allocate the \$21,000 for the crisis clinic as it is definitely needed in the City.

Mr. John Smithson, 10909 Evergreen Terrace, outlined some crises within the last year which had occurred in the City and the volunteers from the Community Mental Health Clinic had helped persons.

Dr. Radcliffe explained that the clinic is supported by funds from the State, the National Institute of Mental Health, United Good Neighbor Fund and also some are fees charged for services.

Mayor Rasmussen thought if the City became involved in this program it would be a duplication of the State and Federal programs.

After some discussion, Dr. Herrmann stated since the Council has set up a priority schedule in the budget, as Police, Fire and Health, perhaps the request for \$21,000 would be within the priority range, as it is certainly for a good cause.

Mr. Smithson explained they desperately need this appropriation from the City as they have contacted other sources and see no other way.

Mr. Dean arriving at 9:20 P. M.

Mayor Rasmussen asked if Mr. Buehler, Director of Planning, has made a presentation in the C. I. P.

Mr. McCormick, explained he did not know of any other Dept. head who is prepared to present any information this evening. He noted that Mr. Buehler was not on the budget agenda this evening.

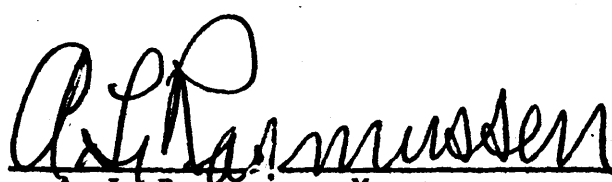
Mayor Rasmussen asked Mr. Phillips, Airport Manager, if he wished to explain the Airport budget.

Mr. Phillips explained that the budget submitted by the Airport was a working budget which concerns the present operation, and he would explain it if the Council wished.

Mayor Rasmussen said that there wasn't time this evening. He hoped that there would be more public participation during the coming week.

Mr. Cvitanich moved to recess the budget hearing until Tuesday, Dec. 2nd at 7 P.M. Seconded by Mr. Zatkovich. Voice vote was taken. Motion carried.

Mayor Rasmussen announced that the regular Council meeting will be held at 4 P.M. Tuesday, Dec. 2nd, followed by the Budget Hearing at 7 P.M.


A. L. Rasmussen - Mayor

Attest: 
Josephine Melton - City Clerk