

COUNCIL CHAMBER 7:30 P. M.

Monday, April 22, 1957.

Council met in regular session. Present on roll call 5; Goering, Humiston, Perdue, Tollefson and Mayor Anderson. Bratrud, Jensen and Stojack taking their seats at 7:35 p. m. Absent 1, Battin.

It was moved by Mr. Perdue, seconded by Dr. Humiston that the minutes of the previous meeting, copies of which had been mailed by the Clerk to each Council-member, be approved and the reading thereof dispensed with. Motion carried, Ayes 5; Nays 0; Absent 4, Battin, Bratrud, Jensen and Stojack.

RESOLUTIONS:Resolution No. 14975:By BATTIN:

Transferring \$35,000 from Item No. 5, pavement resurfacing, to Item No. 3, City LID participation, as designated in the 1957 Proposed Construction Program set forth on page 124 of the annual budget for the year 1957, and revising said Construction Program accordingly.

Adopted on roll call April 22, 1957

Ayes 5; Nays 0; Absent 4, Battin,
Bratrud, Jensen and Stojack

Resolution No. 14960: (Postponed to this date on April 8, 1957)By GOERING:

Establishing the policy of providing in all future ordinances creating Local Improvement Districts, that any bonds or warrants issued thereunder bear interest at the rate of 5% per annum.

Dr. Humiston reported that he had obtained information in the interim since April 8th, when this Resolution was last discussed, that \$75,000 worth of L I D Bonds, bearing 4% interest had been sold about two months ago, at no loss to the City. In view of this information, Dr. Humiston said he was in favor of defeating this Resolution for an increase in interest rate until such time as the City finds it impossible to market the bonds. Mr. Rowlands advised that the survey being made by the Finance Director would not be ready for two weeks, and he suggested the Resolution be laid over for that length of time. The question was called for and roll call on the Resolution was Ayes 0; Nays 8; Absent 1, Battin. The Resolution was declared lost on roll call.

FIRST READING OF ORDINANCES:Ordinance No. 15860:

Amending Ordinance No. 14887 - ADMINISTRATIVE CODE - by adding thereto a new section to be known as Section 32A - designating the official name of the Belt Line Division as "Tacoma Municipal Belt Line Railway." Read by title.

Mr. Barline advised that, at last week's meeting, when Ordinance No. 15849 pertaining to this matter, was considered Dr. Humiston asked whether

this should not properly be a part of the Administrative Code. The suggestion was considered by the Legal Staff, and as a result Ordinance No. 15860 was submitted, he added.

Mr. Rowlands suggested the Council vote down Ordinance No. 15849, as this amendment to the Administrative Code will accomplish the purpose desired. The Ordinance was then placed in order of final reading.

Ordinance No. 15861:

Vacating certain described portions of North Cheyenne Street at its intersection with the alley between vacated North 47th Street and North 48th Street. (Petition of George W. Pease, et al 11-5-56) Mr. Buehler, Chief of the Planning Department reported that the required warranty deeds have been received, and the vacating ordinance can be passed at next week's meeting. Read by title and placed in order of final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 15849:

225

Establishing the official name of the Belt Line Division of the Department of Public Utilities as "Tacoma Municipal Belt Line Railway." Read by title and lost on roll call.

Roll call: Ayes 0; Nays 8; Absent 1, Battin.

Ordinance No. 15850:

225

Providing for making of certain additions and betterments to and extensions of the electric generating plant and system and electric power and light transmission and distribution system of the City of Tacoma; providing for the issuance and sale of special obligation utility bonds of the City of Tacoma in the amount of \$5,000,000. to be known as the Light and Power Bonds of 1957. Read by title.

Dr. Humiston opened the discussion by stating again that he felt all normal recurring expenses for annual replacements, extensions and maintenance should be paid for from current operating revenues, leaving only major new installations to be financed by bond issues, and that rates for electrical power should be adjusted upward if necessary, in order to accomplish this goal. The problem this year is greater than usual due to the fact that it is necessary to replace approximately \$1,750,000 of the bonds issued a year and a half ago, which sum was used for the Cowlitz project instead of for other extensions of the system, Dr. Humiston added. He would be in favor of passing the ordinance if a proviso is made that in the future light rates will be adjusted to take care of yearly recurring expenses, he stated.

Mr. Perdue asked, if rates are adjusted to take care of recurring expenses, could this bond issue be for a smaller sum, such as four million dollars. J. D. Ferguson, Superintendent of Light, read in full for Council's information, an interoffice communication which he had written to Director Barline on April 22, 1957, giving supplementary information regarding Council questions concerning an increase in rates. Copies of this communication were distributed to Council members, which pointed out that to produce the net income for funds required for all capital additions in 1957 would require a 30% to 35% increase in gross revenues. In order to adopt the recommendation of an established ratio of financing 50% of capital additions from net revenues, taking into consideration a compounded annual growth of 8%, the Light Division would require

\$500,000 in excess of the amount realized for 1956, the communication stated. It concluded with the statement that the financial position of the Light Division is sound, but with increasing costs it will be necessary in the near future to increase revenues not more than 5% or 6% to remain in this position. Mr. Bratrud asked if this rate increase would become effective immediately, and Mr. Ferguson replied that it was not an emergency and the rate survey should be completed first, which would make it sometime near the end of the year before the rates are raised.

Mr. Bratrud said he felt the rates of consumers outside the City, both individuals and Mutuals should be raised the same amount as those of Tacoma's citizens and asked if this was the intent of the Department. At present, he contended Lakewood Mutual customers are charged less than those in Tacoma, and in addition receive a dividend of a month's free service every so often. Mr. Ferguson pointed out that Mutuals had received a rate increase amounting to approximately 8% last June and there is a limit as to how far the City can go and still remain in a competitive position. Mr. Barline stated the Mutuals are not under contract to the Light Department, but that the City is competing with Bonneville and if our rates go much higher, we could possibly lose these customers to Bonneville. A further discussion brought out the fact that the City might possibly lose 90% of the Mutuals if rates are raised 6% and that this type of service represents 10% of the City's customers. This would result in a loss on the investment of transformers, etc.

The following pertinent points were brought out by questions from Council members and answered by Public Utility Representatives:

(1) Mr. Bratrud asked if and when the Cowlitz Project is completed, will it be necessary to increase rates again, since Cowlitz power will cost more than power from Bonneville. Mr. Ferguson replied, "Not necessarily."

Mr. Tollefson asked the following questions:

(1) What was the gross income of the Light Department from electric revenue last year and what portion was used for the operating budget of the Department. Mr. Barline replied that the gross income was \$12,101,000 and that 52% was used for the operating budget. He also stated that \$1,320,000 was required for interest and bond redemption.

(2) How much was left over for Capital Improvements last year? Mr. Ferguson replied that two and one half million dollars was left for this purpose.

(3) How much was left from the last five million dollar bond issue. Mr. Ferguson replied that there was less than \$200,000 remaining from this issue.

(4) How much was there in the current account from last year unexpended, i.e. cash available. Mr. Ferguson replied that there was approximately \$1,600,000, most of which has been committed to certain projects.

(5) Supposing the Council refused to approve this five million dollar bond issue what funds would you have available to take care of these improvements? Mr. Ferguson replied that if Council did not approve this issue, there would be no funds available for this purpose.

(6) How much of this bond issue is contemplated to be spent on the Cowlitz project in the next three years? Mr. Ferguson said that none of the money from this issue will be used on the Cowlitz.

(7) How much is expended a year to keep the Cowlitz contract alive during litigation. Mr. Ferguson said that at present this costs approximately \$21,000 a month.

(8) If this five million dollar bond issue would still be needed in the event the Cowlitz project was deemed at an end and there was no further damages. Mr. Ferguson replied that it would still be needed. Mr. Barline stated that neither the \$5,000,000 bond issue or current funds will be available for the Cowlitz project according to the wording of the ordinance.

(9) How much have wages increased since World War II. Mr. Ferguson replied that wages, which represent 30% of the expenses, have increased 56% and material costs have increased 50% in the last ten years.

Dr. Humiston asked if the Utilities Board had contemplated any action to adjust rates so bonds will not have to be issued again for this purpose in a year or so. Mr. VanderEnde replied that the Utilities Board has not definitely come to any conclusion as to how much the electric rates will have to be increased. A figure of 5% has been considered. The Board feels no action should be taken on rate increases until the survey, which is under way at the present time is completed, in order to eliminate as far as possible any inequities, and that a blanket increase would not be desirable. If a Sinking Fund plan, so the Light Department can go on a "pay-as-you-go" basis, is inaugurated, rates would have to increase from 25% to 30%.

After further discussion roll was called on the passage of the ordinance.

Roll call: Ayes 7; Nays 1, Bratrud; Absent 1, Battin.

Mayor Anderson thanked members of the Utility Board for the many hours they have given to solving this problem. He also stated there is no "Cold War" between the Council and Utility Board, as mentioned in the Daily Paper, but all are endeavoring to work in the best interests of the City.

Mr. VanderEnde replied that the Utility Board members are willing to answer any questions the Council might wish to ask and to cooperate with the Council members. The Council, in seeking information, has shown that it is interested in the operation of the Utility Department, Mr. VanderEnde stated. The Board feels this is one of the best means for Council to become better acquainted with the workings and problems of the Utility Department, he added.

Ordinance No. 15851:

Creating in the Treasury of the City of Tacoma a special fund to be known as the Light and Power Construction Fund of 1957; specifying the purpose for which said fund is created; providing for the deposit therein of the proceeds of the sale of the \$5,000,000 issue of Light and Power Bonds of 1957; moneys advanced from current funds, etc. Read by title.

Dr. Humiston stated that he felt an explanation should be made to the Public that the \$2,000,000 profit in the Light Department reports, shows up before expenses are paid, under the bookkeeping system in use by the Department. Mr. VanderEnde stated that all the profit is re-invested in the plant and the net worth is entirely invested in the plant.

Roll call: Ayes 7; Nays 1, Bratrud, Absent 1, Battin

41 X At this time, Mr. Rowlands advised Council that by combining the three electrical services into one service in the new County-City Building, at an additional outlay of \$45,000.00, a saving of approximately \$20,000 yearly can be made due to coming under wholesale rates. Mr. Barline said it was his understanding that they would like to have the Utility Department advance this cost, same to be repaid in installments, but the proposition has not been presented to the Utility Board for approval yet. This will be considered at the Board meeting Wednesday, Mr. Barline answered. Mr. Rowlands stated that he had brought it up before Council in order to obtain the feeling of the Council on this. Mr. Tollefson expressed the feeling of the Council when he said he favored the saving.

Ordinance No. 15852:

Relating to horses and other large animals, declaring the keeping thereof in certain places and other certain conditions to be unlawful and a public nuisance; and providing penalties for the violation hereof. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin

Ordinance No. 15853:

L I D 1957:

Approving and confirming assessment roll for L I D 1957 - sanitary sewer on Alaska Street from the existing manhole at South 60th and Alaska Streets, south 1,309 feet; Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin.

Ordinance No. 15854:

L I D 1959:

Approving and confirming the assessment roll for L I D 1959 - sanitary sewer on So. 19th Street from existing manhole at South 19th Street and Prospect Street, east 615 feet. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin

Ordinance No. 15855:

L I D 2244:

Approving and confirming assessment roll for L I D 2244 - grading and oil mat surfacing of alley between No. 38th and No. 39th Streets from Proctor Street to Adams Street. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin.

Ordinance No. 15856:

L I D 2258:

Approving and confirming assessment roll for L I D 2258 - concrete sidewalks on So. 70th Street from Sheridan to L Street; also on west side of South M Street from So. 70th Street north 300 feet to the existing walk, and on the south side of South 68th Street from Sheridan Avenue to South M Street. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin.

Ordinance No. 15857:

L I D 4601:

188

Approving and confirming assessment roll for L I D 4601 - grading asphalt paving, concrete curb and gutter on North Warner Street from North 18th Street to North 19th Street. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin.

Ordinance No. 15858:

L I D 1964:

186

Providing for construction of sanitary sewers from a point in the existing 15" pipe between Alaska and Asotin Streets, 290 feet north of South 74th Street, thence east to Asotin Street, thence South to South 76th Street; also in Alaska Street from the existing manhole, 155 feet South of center of South 74th Street to 434 feet north; creating L I D 1964. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin

Ordinance No. 15859:

L I D 4621:

49:487
192

Providing for improvement of alley between South 49th and South 50th Streets from G Street to Park Avenue by asphaltic concrete paving; creating L I D 4621. Read by title and passed.

Roll call: Ayes 8; Nays 0; Absent 1, Battin.

UNFINISHED BUSINESS:

The Director of Public Works presents the assessment rolls for the cost of the following Local Improvement Districts:

438 L I D 2246 - grading, ballasting, surfacing and storm sewers on streets in Narrowmoor 4th Addition; 48:273 - 48:287

460 L I D 2259 - oil mat surface on South 44th Street from Sheridan Avenue to South Asotin Street; 48:271

It was moved by Dr. Humiston, seconded by Mr. Perdue that May 21, 1957 be set as the date for hearing on the above assessment rolls. Motion carried unanimously on voice vote. Ayes 8; Nays 0; Absent 1, Battin.

113 The Director of Utilities presents the assessment roll for the cost of Local Improvement District No. 5248 for watermain in the area bounded by Portland Avenue, East 61st Street, Pipe Line Right of Way, Homestead Avenue and East 64th Street. 48:272

It was moved by Dr. Humiston, seconded by Mr. Perdue that May 21, 1957 be set as the date for hearing on L I D 5248. Motion carried unanimously on voice vote. Ayes 8; Nays 0; Absent 1, Battin.

The Local Improvement District Committee submits a report on L I D 1968 - sanitary sewers on South Bell Street from South 64th to South 68th Street, which was held for hearing on April 16th, Myron Calkins, City Engineer, advised the Committee that the district should be abandoned and a new L I D initiated due to an error in the way L I D 1968 was set up, which made the property owners in the area pay for the assessment on both sides. The L I D Committee accordingly ordered the district abandoned, and makes this recommendation to the City Council. It was moved by Dr. Humiston, seconded by Mr. Tollefson that the Local Improvement District No. 186

1968 be abandoned. Motion carried unanimously on roll call: Ayes 8; Nays 0; Absent 1, Battin.

The communication of Pierce County Humane Society (3-4-57) relative to the contract between the City and the Tacoma Humane Society, was brought up for further comment at this time. Mr. Rowlands called attention to M. C. No. 129 (dated April 12, 1957) answering the questions and recommendations contained in the letter, saying he felt this M. C. covered the subject fully. However, he thought there are some people in the audience interested in this matter, and perhaps Council would like to hear from them, Mr. Rowlands added. Dr. Humiston said he felt if the Council was going to get involved in the Humane Society issue, the members should be advised what action might be taken within their jurisdiction. Unless this information is furnished, he would favor continuing with the next order of business, he added. If there are things in the Contract that should be changed, these should be directed to the City Manager, who will then make recommendations to the Council. In view of Dr. Humiston's statement, Mayor Anderson ruled that Mrs. Lloyd Stacy, who wished to speak on the subject, could not be granted this privilege, but should present her statements to the City Manager in writing instead.

This being the date fixed by Resolution No. 14949, adopted by the City Council on April 1, 1957, for hearing on the petition of J. R. Wiborg, et al, (2-18-57) for vacation of the alley between North 35th and North 36th Streets from Alder Street to Ruston Way, the Clerk reported the posting of the notices required by law and the filing of an affidavit of such posting. Also reported that a fee of \$100.00 had been paid by the petitioners, and no remonstrances had been filed against the proposed vacation. Mr. Buehler, Chief of the Planning Division, advised that the vacation of this alley, which is unused at the present time, had, after investigation, been approved by both the Public Works and Public Utility Departments. A hearing was held by the City Planning Commission on this petition, and the Commission recommended approval of the vacation without reservations. Mr. Buehler added. No remonstrators appearing, it was moved by Mr. Stojack, seconded by Mr. Tollefson that the petition be granted and the City Attorney instructed to draw the necessary ordinance. Motion carried on roll call: Ayes 8; Nays 0; Absent 1, Battin.

COMMENTS BY THE CITY MANAGER:

Mr. Rowlands called attention to M. C. 135 - on the subject of sirens on ambulances, which information had been requested by Council on April 1, 1957 during consideration of the ordinance licensing ambulances and drivers. Under the present State Laws ambulances have the right to use sirens, so there is nothing Council can do to prohibit this until action is taken by the Legislature, Mr. Rowlands reported. However, local ambulance concerns have agreed to cooperate in keeping the use of sirens to a minimum, he added. Mr. Jensen said this was an excellent report, but he felt it covered only one side of the matter. He pointed out that in comparison with Police emergency cars, privately owned ambulances have a very favorable accident rate, as there have been only two accidents involving ambulances in the past year. Ambulance drivers have some very good arguments in favor of the use of sirens, as all calls they receive are considered emergencies, and feel they may be held responsible if they do not arrive in time. Mr. Jensen added

APR 22 1957

Upon motion, duly seconded and carried, Council adjourned

at 9:57 p. m.

John H. Anderson
President of the City Council

Attest: Josephine Melton
City Clerk