

CITY COUNCIL MINUTES

City Council Chambers
Tuesday, August 25, 1970

The meeting was called to order by Mayor Johnston at 7 P. M.

Present on roll call 9: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary, Zatkovich and Mayor Johnston.

The Flag Salute was led by Mr. O'Leary.

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Mayor Johnston asked if there were any corrections or omissions to the minutes of July 21st and July 28th which had been submitted.

Dr. Herrmann moved to accept both minutes as submitted. Seconded by Mr. Dean. Voice vote was taken. Motion carried.

HEARINGS & APPEALS:

a. This is the date set for hearing for the vacation of the N. E. corner of South 19th & Prospect, submitted by Norman Jardeen etal.

Mr. Russ Buehler, Planning Director, explained this is a 15 ft. strip of land adjacent to a parcel vacated in 1960, but was omitted in the land description at that time.

Mr. Larry Jardeen of Jardeen Brothers contractors, said his company would like to have the title cleared up.

Motion was made by Dr. Herrmann to concur in the recommendation of the Planning Commission to allow the vacation so as to allow the petitioner to utilize the strip of property in question. Seconded by Mr. Finnigan, Voice vote was taken. Carried unanimously.

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b. This is the date set for hearing for the vacation of the alley lying between Trafton & State Sts. from approximately 100 ft. south of So. Tacoma Way south to Wright Avenue, submitted by Funes & Oziel, etal.

Mr. Buehler explained this is another portion of right-of-way which had been inadvertently omitted from the prior vacation.

Dr. Herrmann moved to concur in the recommendation of the Planning Commission to allow the vacation. Seconded by Mr. Finnigan. Voice vote was taken. Carried unanimously.

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c. The City Planning Commission recommending denial of the request for rezoning of the N.W. corner of So. 19th & Washington Sts. from an "R-2" to an "R-2-T" District, petitioned from Richard Shaw.

The appeal date period ended on August 17, 1970, and no appeal was filed.

Dr. Herrmann to moved concur in the recommendation of the Planning Commission to deny the request for rezoning. Seconded by Mr. Dean. Voice vote was taken. Motion carried unanimously.

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PETITIONS:

Tom E. Hawkins, requesting rezoning of the area of 8233 So. Tacoma.

Referred to the City Planning Commission.

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RESOLUTIONS:

Resolution No. 20839 (Postponed from the meeting of August 11th)

Awarding contract to 3M Business Products Sales, Inc. for the furnishing of microfilm equipment on its bid of \$4,769.10 for the needs of the Identification & Records Division of the Tacoma Police Dept.

Mr. Cvitanich moved that the resolution be adopted. Seconded by Mr. Zatkovich.

Mrs. Banfield asked that the various features of both the 3-M and the Eastman Kodak Co. microfilm equipment be reviewed, as she had been absent from the meeting of August 11th when the resolution was originally presented.

Dr. Herrmann commented he thought the determination before the Council was to decide whether to purchase the equipment or not, rather than deciding which equipment should be used.

Mayor Johnston asked that each company could review its presentation.

Mr. Jim Herburger of the 3-M Company Microfilm Products Division stated inasmuch as the Police Dept. will be using the equipment 24 hours a day, his equipment would better suit the needs. Mr. Herburger reviewed the advantages of the 3-M equipment explaining that greater ease is obtained in indexing finished film, which would in turn offset the higher costs of equipment. Also greater ease of instant loading and of inserting cartridges, which would allow employees better functioning in removing the cartridge at any time.

Mr. William Bergeson, the Eastman representative, explained the advantages of his equipment which would save 40% in film costs, and a total cost of \$5.30 per roll including processing, as against the 3-M cost of \$7.70 for same size roll. It would have the capability of producing two rolls simultaneously--one for permanent security records and the other for in-house use, also has continuous filming and interchangeable rolls, speed in locating desired frame and the alphabetical filing of subject material.

Mr. Jarstad asked about the use of video tape in place of microfilm, and was advised that this is an entirely different concept and would cost considerably more.

Mr. O'Leary asked when is it necessary to change from one subject to another inasmuch as the City has approximately 15 different subject categories.

Mr. Bergeson advised that the filming is interchangeable or continuous, and the alphabetical indexing system would provide adequate handling of this requirement. He said it would take only 4 seconds to get within 5 frames of the desired frame on his equipment.

Mr. Zatkovich asked about time saving factors of Eastman equipment and costs saving on film.

Mr. C. J. Worn, of Eastman, commented that in view of having over 400,000 documents on hand to be microfilmed at the present time in storage by the City, the saving of time in loading and the retrieval of information would result in saving of employee time and therefore lower costs.

Mr. Zatkovich commented that in order to make a decision he would like to talk further with Capt. Major of the Police Dept. and other experts, but that he would probably abstain from voting.

Mr. O'Leary commented on the importance of saving in storage space as a factor to consider and said that lower costs are not always the most important aspect. He said he thought the Council should study all sides before making a decision. He asked if filing the film by subject would be a major consideration.

Chief Lyle Smith explained that over a period of years, this factor would be very important to all City departments as rolls would be stored at various locations and the ease of locating certain material would be more important than the time-saving loading of the cartridges of the 3-M equipment.

Mr. Worn explained that in Phase I, the filing of old records, the retrieval is not as important as setting up the filing system. Retrieval has been classed as Phase II and would not be incurred until a future date. He pointed out that in filming dead records the ability to remove and replace cartridges would not be pertinent.

Mr. O'Leary asked the importance of the Eastman two-roll process and if this equipment could be used in Phase II when the City is ready.

Mr. Worn stated this system is now being used by the Seattle police department, using one as a permanent record and cutting the other up by subject. He added it would be unwise to cut up a roll if it were the only copy. The equipment for Phase I might become obsolete for Phase II in the police department but could be used by some other department or traded in. This could be true with either the Eastman or the competitor's equipment.

Mayor Johnston pointed out that Capt. Major's letter of recommendation to Police Chief Smith stated that the 3-M equipment would best meet all the provisions of this microfilming program, therefore, he said he was ready to vote in favor of Capt. Major's recommendation.

Roll call was taken on the resolution, resulting as follows:

Ayes 8: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary and Mayor Johnston.

Nays 0. Abstaining 1: Zatkovich.

The resolution was declared passed by the Chairman.

Resolution No. 20869

Accepting an offer to sell property at 1147-55 Broadway and 1152-56 Commerce from Walley Etsekson for the purchase price of \$193,900.00 situated within the New Tacoma Urban Renewal Project Wash R-14.

Dr. Herrmann moved that the resolution be adopted. Seconded by Mr. Finnigan.

Mr. Sullivan, Director of Urban Renewal, explained the tenants of these properties are the Discount Mart, the Beneficial Finance Co., the Overland Investment Co., and the Walton Whist Club. The purchase price is the owners' offer to sell and is within the appraisal price and HUD's concurrence. The property is also included within the City condemnation action currently pending and, if the Council does not accept this offer, the case would probably go into litigation.

The assessed valuation is \$436,990. He further explained the owners have been given three choices: To remain on the premises provided the building is brought up to code, to propose a less than fee acquisition agreement with the City, or to sell at the concurred price.

Mrs. Banfield asked if there was any historical value to the buildings inasmuch as they were built in 1888 and in 1917.

Mr. Sullivan said it was his understanding part of the building was one of the only open-air beer parlors operating in recent years and had been written up in the newspapers. He further explained if this piece of property is not purchased by the City now, at the purchase price of \$193,000, the price could be considerably higher at a later date. He noted one of the buildings is not in good condition and a number of code deficiencies have been found. However, the smaller building occupied by the Beneficial Finance Co. is in better condition, but would also have to be brought up to code.

Mrs. Banfield said she could not see why the City should be paying such an exorbitant price for a building that has to be torn down. She mentioned that the City has just recently purchased the Crystal Palace Market in an adjacent area and this had been placed out for bid and only one bid received. She asked Mr. Sullivan to explain this situation.

Mr. Sullivan explained that Wm. B. Swensen Associates, the new owner of the old Bon Marche building, had submitted the only bid on the Crystal Market property. An owner-participation agreement has been executed by Mr. and Mrs. Swensen, but as yet the Security Holder's Participation Agreement has not been signed.

Mr. Sullivan further explained, the use proposed for the Crystal Market property is for parking in conjunction with the redevelopment of the old Bon Marche building. He added that the Swensens have also purchased the building immediately south of the Crystal Market.

He noted the bid for the Crystal Place Market is now in the process of being reviewed and the plans are being checked by the City Engineers and the Urban Renewal Dept. He also noted that because this bid is not within the City's concurred minimum resale value as governed by HUD, it has to be forwarded to HUD for approval and pointed out that HUD governs the purchase price as well as the resale value.

Mrs. Banfield explained her concern is that the property is being sold for less than what the City purchased it for. She did not think the City should be in the real estate business and not getting returns as it should.

Mr. Sullivan remarked, if the bidder on the Crystal Palace Market property is ultimately successful in meeting all required approvals, he has stipulated that he will bring the building up to code, the City then will not have to spend approximately \$40,000 to demolish the building.

Mr. Cvitanich asked what the City had paid for the Sportsman's Club building on a square-foot basis as compared to the Etsekson property.

Mr. Sullivan answered he did not have these figures on hand but would submit them at the Council meeting of Sept. 1st.

Mayor Johnston commented that the property in this particular resolution had been included in the original Urban Renewal Plan which had been approved by the City Council in 1966. He reminded the Council that the property is set for condemnation and felt that the litigation would certainly cost more in the long run than this purchase price.

Mr. Zatkovich said he usually agrees with the Urban Renewal requests, however, this building is so dilapidated it is not worth the price quoted. He asked what was the original price of this property.

Mr. Sullivan answered he thought this was the original asking price, but would check into the matter.

Mr. Zatkovich felt that any restaurant equipment which is included in the bid certainly would not amount to \$3,890 as this building has been vacant for a number of years.

Roll call was taken on the resolution, resulting as follows:

Ayes: 6: Dean, Finnigan, Herrmann, Jarstad, Zatkovich and Mayor Johnston.

Nays: 3: Banfield, Cvitanich and O'Leary.

The Resolution was declared passed by the Chairman.

Resolution No. 20870

Awarding contract to International Harvester Company on its bid of \$15,045.30 for the furnishing of one cab & chassis.

Dr. Herrmann moved that the resolution be adopted. Seconded by Mr. Jarstad.

Mr. Gilbert Schuster, Director of Public Works, explained this equipment would be purchased for the refuse truck which is requested in the following resolution. He added this would be a 30 cubic yard compactor for use with 6 and 8 yard cans that will be picked up by a front-end loader truck.

Mr. Zatkovich said he thought the purchase would not be wise until the Council decides whether to have private enterprise for refuse collection. He asked how critical this equipment is for the department and how long it would last.

Mr. Schuster explained some of the equipment is working 15 hours a week overtime and that 70,000 hours of use is being put on this vital type equipment. He added if the Council decides to have private enterprise take over the refuse collection they could purchase the equipment from the City. This is not replacement equipment. It is an additional piece of equipment, he added.

Mr. Jarstad stated that the volume of refuse has increased since the new incinerator law went into effect in Tacoma. He added in the area where he owns a business, they have been waiting 8 months to get City service.

Mr. O'Leary asked if the bids were all on the same type engines and was advised some were for gas engines and one was a diesel. He asked if Mr. Schuster would procure more information on the three bids. He asked that the matter be postponed for one week so he could study the proposals.

Mr. Dean moved to postpone the resolution until next week, September 1st. Seconded by Mrs. Banfield. Voice vote was taken. Motion carried.

The resolution was continued to September 1st.

Resolution No. 20871

Awarding contract to Transport Equipment Company on its bid of \$12,591.00 for the furnishing of a refuse compactor body.

Mr. Dean moved that the resolution be adopted. Seconded by Mrs. Banfield.

Mayor Johnston said inasmuch as Resolution No. 20870 and 20871 were allied and Resolution No. 20870 had been postponed one week, he moved to continue Resolution No. 20871. Seconded by Mr. Jarstad. Voice vote was taken. Motion carried.

Resolution No. 20871 was continued to September 1st.

Resolution No. 20872

Authorizing the release of a sewer easement in the alley between So. Yakima Ave. & I Sts. from So. 14th to So. 15th St. (Episcopal Diocese request)

Dr. Herrmann moved that the resolution be adopted. Seconded by Mr. Jarstad.

Mr. Schuster explained the alley had already been vacated and the Diocese of Olympia will be building a church in this area. They had previously requested the sewer be left in and now they request a portion to be released. This will be no problem for the City as it is the upper end of the line and the diocese will have a manhole constructed into the sewer to keep it clean.

Voice vote was taken on the resolution, resulting as follows:

Ayes 9: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary, Zatkovich and Mayor Johnston.

Nays 0. Absent 0.

The Resolution was declared passed by the Chairman.

Resolution No. 20873

Changing Rule IV of the Rules and Regulations governing ambulance service within the City of Tacoma.

Mr. Cvitanich moved to continue the resolution over one month, until September 22nd. Seconded by Mr. Dean. Voice vote was taken. Motion carried unanimously.

The Resolution was continued to September 22nd.

FIRST READING OF ORDINANCES:

Ordinance No. 19188

Vacating the street between Yakima Ave. & I Street from So. 25th to approximately 290 feet south. (Petition of Wm. B. Swensen, etal)

The ordinance was placed in order of final reading.

Ordinance No. 19189

Amending Chapter 14.04 of the official code to add a new section 14.04.020-1 & 14.04.040 relative to tenant rates within the Urban Renewal projects.

Mr. Gary Sullivan, Director of Urban Renewal, explained this ordinance is being introduced to equalize the benefits given to owner-occupants and tenant-occupants of property which is acquired by the Department of Urban Renewal and regulated by HUD.

Mr. O'Leary asked if the City has any leases running longer than from month to month and if there was any reason why the reports on such leases had stopped being sent to the Council.

Mr. Sullivan advised all leases are only on a monthly basis. He added he would check into the matter of the reports and see that they are made available.

Mr. Cvitanich asked if the Dept. of Urban Renewal had updated the original plans and suggested this be done.

Mr. Sullivan agreed the main plan should be re-evaluated and added they are trying to let the people live within the framework of the plan, but under different options. He said there has been some progress in getting cooperation along downtown Broadway and that problems have existed because of seismic requirements, etc. There are several locations where one or two floors may be demolished at the project expense and this will allow the redevelopers to bring the buildings up to code.

Mr. Cvitanich asked for information regarding the following properties: Mr. Dobler's property, the Central Labor Council, the Foster-Campbell Nursing Home and the Dean-Witter property.

Mr. Sullivan explained that Mr. Dobler had informed the Department it was not possible for him to bid on the property on Tacoma Avenue and that he would not pursue the matter further. The Foster-Campbell representatives are working with the FHA financing and prospects look favorable for this venture. The Labor Temple is in default on their lease, but the representatives have asked for an extension. He further reported that his recommendation relative to the Dean-Witter property had been forwarded to the City Manager and is now in the hands of the City Attorney for review.

Mr. Sullivan said he had received a letter from a person in the East who is interested in redeveloping for residential use.

Mr. Finnigan asked if a bidder who defaulted would be entitled to bid again.

Mr. Sullivan said this had been done by some and that Cascade Properties was the instance where this had occurred, but they had ended up being in default again.

The ordinance was placed in order of final reading.

FINAL READING OF ORDINANCES:

Ordinance No. 19178

Adopting the Plan and System for the Dept. of Public Utilities Light Division 1970 improvements.

Mr. Cvitanich requested that the discussion on this ordinance be verbatim.

VERBATIM TRANSCRIPT

Mr. Cvitanich: You can't discuss this ordinance without discussing the other -- I have a matter I would like to bring up, so if I may I'll start on this. When we first brought before the council, I think it was in April of this year, regarding the awarding of the bonds, the council was confronted with two particular resolutions, and at that time it was brought up by me that one firm had had a portion of their contract terminated with the state. Certainly this is not meant to reflect anything toward any particular company that is involved in the issuance of these bonds; however, information has come to me that the Securities and Exchange Commission has, in fact, completed an investigation, and that report has been submitted to the State Finance Committee and to the Attorney General. And I think before the council takes any definite action on this, Mr. McCormick should endeavor to obtain a copy of this report from either the Attorney General or the State Finance Committee. And if we are unable to obtain a copy from them we should write to the Securities and Exchange Commission in Washington, D.C. and endeavor to obtain this information. There has been a great deal of publicity off and on over the last year regarding this particular matter of the finance committee and persons involved; and before we commit ourselves to anything involving a Class A rating, I think we should endeavor to obtain these documents before we proceed on these two ordinances.

Mayor Johnston: Mr. Benedetti, can you try to respond to that?

Mr. Benedetti: Mr. Mayor, and members of the City Council, in reviewing this matter with you last week I did outline to you the very tight schedule which we do have on the financing of this project. Our contractual obligation for participation in the Centralia Project calls for the financing money to be available for payment -- our share of it -- by November 1st. Our schedule here is rather a tight one and one which must be followed and meet our contractual obligation. The matter which Mr. Cvitanich is referring to has to do with the retention of consultants, which action was taken by the Board some time ago, and which is not a matter before the council at this time.

I would say that the financial consultants who were retained by the city were a combination of Smith-Barney of New York and the local firm of McLean & Co.. As the council may be aware, this is the same consulting firm who were retained by the city through all of the Cowlitz financing. In considering the legal, financial and engineering consultants for this particular project, the Board considered

and weighed very heavily the fact that the expertise, the background information that the consultants who had worked on these projects in the past would enable them to do two things: a better job for us in preparing the official statement, to enable us to receive the best bid, and because of the fact they had done this work in the past they would not have to do as much work as somebody new coming into the picture. Smith-Barney is a nationally known consulting firm who is yet doing work for the State of Washington, who will be doing work for Snohomish PUD on this project, and who have also done work for the City of Seattle McLean & Co. is a local company, and I know there was reference to some difficulty that company may have had. The difficulty did not relate to their ability to advise and assist in preparing an official statement. They are not purchasers of the bonds; they are not sellers of the bonds; they are acting in concert with Smith-Barney & Co. in helping the city prepare and represent the best picture of our financial position -- of our ability to pay, and our ability to proceed with this project once it is started.

I wanted to give this information to the council because the legal consultants have already been hired, by Board resolutions. The financial consultants have likewise been hired. The engineering consultants have been hired. And the work of these consultants has been, at this point 90% completed. We are in the finishing stages of wrapping this thing up. There would be an actual bid call -- the receipt of bids on October 6 under the schedule we have been following. And Snohomish PUD and the City of Seattle and the other participants are following a similar schedule in order to get this November 1st date, which contractually we must meet in order to participate in the Centralia project.

I thought you might want that background information as it relates to our consultants and our reason for outlining to you some time ago the schedule which we have. This does not come as a surprise to the City Council because we have been very careful in advising you of our need to proceed at such time as the necessary information -- the legal came in and were available for us to proceed.

Mr. Cvitanich: Mr. Benedetti, on April 14th when Resolution No. 20644 was defeated by a 5 to 4 vote, was the Director of Utilities, whom we pay some \$30,000 a year, and the Board aware that there was in fact an investigation by the Securities and Exchange Commission regarding one of the firms involved?

Mr. Benedetti: I think, Mr. Cvitanich, this was reported in the newspaper, but as I indicated, it was an allegation at that time of their involvement in selling securities, or buying securities -- I don't know. It had nothing to do with the knowledge, expertise, ability, and advising in the capacity as they are in this particular instance. And as I indicated to you, this is a combination of a local consulting firm together with a New York firm; so that we do have a local contact. The majority of the work is done in New York; it has not been necessary for us to travel back and forth to New York in order to accomplish our business. And that was our reason, in the total project,

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for proceeding in that manner. We found it desirable to have both a local and a New York consultant in combination, and the services of the two don't run any more than the services of either one in performing the same work for the city.

Mr. Cvitanich: Mr. Benedetti, I am not trying to create a problem for you, please understand me. However, I am going to reiterate my original question. Did the Board discuss this during their deliberation regarding this? We are well aware that it was in the newspaper at the time.

Mr. Benedetti: I don't recall if there was any particular discussion of those charges.

Mr. Cvitanich: And secondly, if I may, are they aware that this document, which is confidential, has been received in Olympia? Was it discussed with the Board privately or otherwise?

Mr. Benedetti: I have no knowledge of what the document is, and what it might contain. I question at this time whether what I saw in the newspaper referred to the particular services that we have asked this company, in combination with Smith-Barney, to perform for the city as advisors in financing and putting together an official statement and representing the best posture for the City of Tacoma. I can say that looking back at the job that has been done by this combination, there isn't a utility in the State of Washington that has a better record as far as interest rate and the financing which we have been able to get. It speaks well of the total team effort of which those who were retained at this time were part of in the past.

Mr. Cvitanich: I can appreciate that, Mr. Benedetti, and I am certainly not saying they haven't performed satisfactorily up to this point, either. I realize that you have gone, what -- about \$158 million over the period of time involved in the litigation of various bond issues -- but we still get down to the basic fact that no matter how slight the involvement might possibly be, that the city shouldn't find itself in the position until such time -- now this would be up to each individual member of the council -- until if possible we endeavor to obtain this document from the attorney general or the State Finance Committee.

Mayor Johnston: Mr. Cvitanich, it appears that the Superintendent of the Water Department is not aware of this document; how is it that you brought this up at a public meeting, and how is it you are aware of a confidential report being at an office in Olympia at this point?

Mr. Cvitanich: Well, Mr. Mayor, I have verbatim minutes from the April 14, 1970 meeting, at which it was discussed publicly at that time, and it's also been a matter in the newspaper, if you follow the overall State Finance Committee. There is plenty of news regarding this item.

Mayor Johnston: Is it the document you are cautioning us about at this time?

Mr. Cvitanich: That's right, it's down at the State Finance Committee; and the Attorney General has a copy also. This was in the news media.

Mayor Johnston: Then I would ask Mr. Gaisford, as Director of Finance, in your opinion would the fact that this document exists, affect your action or support of what is before us this evening?

Mr. Gaisford: Well, Mr. Mayor and members of the council, as you know we have McLean & Co. working for us right now on our sewer bonds; so if there would be anything that would come up to affect the bond issue I don't think it would be in the financial consultants, because all they are doing for us is preparing a statement. It is nothing more than a financial statement and possibly a financial statement or a brochure for the bidding on our bonds. They would have nothing to do other than prepare that statement.

Mr. Benedetti: I think, Mr. Mayor, the matter Mr. Cvitanich is bringing up would be essentially a contractual matter, and I would be pleased to bring these comments to the attention of the Board. They are meeting tomorrow night; so I would urge you at this time not to interrupt the schedule by not approving the Plan and System Ordinance, which is irrespective of what financial consultants have done, or the Bond Ordinance, at this time. To act on these this evening, if the questions which we have attempted to answer over a long period of time have been answered satisfactorily so that we can proceed -- the matter which Mr. Cvitanich refers to is a contractual matter which the Board has entered into at this time for consultants -- if there is anything that should be done, I am sure the Board would take proper action.

Mayor Johnston: Are there further questions by the council? Mr. O'Leary.

Mr. O'Leary: Mr. Benedetti, could you in fact, yourself seek this document that Mr. Cvitanich is speaking about? Or would Mr. McCormick be the one, I wonder, to try to obtain this for us? Can we try? I would so instruct the City Manager. I am not thinking of holding this up, but there is something in what Mr. Cvitanich says. We should look at all aspects of anything we deal with.

Mr. Benedetti: Well I would urge you to consider both of these. We will have before the Board tomorrow night a Notice of Sale, which in order to follow the schedule will have to be approved by the Board; and we will be before you again next Tuesday with the next step, which has to be preceded by your action on the Plan and System Ordinance and the Bond Ordinance.

Mr. McCormick: Mr. Mayor and members of the council, I might just add this thought: and that is I'll try, as I was asked to do, to obtain this information. But I do think if is confidential there, it should be kept confidential here, because I don't want -- and I am sure the council doesn't want, or anybody else want anything to affect the price of these bonds when they are put up for bids. And one of the things the bidders rely on is the integrity of the financial advisors and their bonding attorney, etc. And for that reason I would say that it should be kept confidential too, because it might have that effect.

Mayor Johnston: Thank you, Mr. McCormick. Mr. Cvitanich.

Mr. Cvitanich: I think I made it very clear that I only addressed myself specifically to the existence of the report. I did not question any firm's integrity or anything else. And I would ask that this portion be verbatim in the minutes regarding this.

Mayor Johnston: Call the roll.

Mrs. Melton:	Mr. Dean:	Aye
	Mr. Finnigan:	Aye
	Dr. Herrmann:	Aye
	Mr. Jarstad:	Aye
	Mr. O'Leary:	Aye
	Mr. Zatkovich:	Aye
	Mrs. Banfield:	Abstain
	Mr. Cvitanich:	No
	Mayor Johnston:	Aye

Mayor Johnston: The ordinance carries; 7 for, 1 no, 1 abstention. Shall we move on, Mrs. Melton.

Ordinance No. 19179

Providing for the issuance and sale of Light and Power Revenue Bonds for 1970 in the amount of \$25,000,000.

Mayor Johnston: Call the roll, please.

Mrs. Melton:	Mr. Finnigan:	Aye
	Dr. Herrmann:	Aye
	Mr. Jarstad:	Aye
	Mr. O'Leary:	Aye
	Mr. Zatkovich:	Aye
	Mrs. Banfield:	Abstain
	Mr. Cvitanich:	No
	Mr. Dean:	Aye
	Mayor Johnston:	Aye

Mayor Johnston: The ordinance carries; 7 ayes, 1 no, and 1 abstention.

END OF VERBATIM

Ordinance No. 19185

Providing for the making of certain additions and betterments to the existing Water Works System.

Mr. Cvitanich said he would like to compliment Mr. Benedetti, and commented on the fact there was a former mayor in the office and when Ecology was only a subject you would read about in the dictionary, the former mayor (Mr. Tollefson) and Mr. Benedetti had been in Washington, D. C. fighting to preserve the Green River watershed and water supply. He said he certainly wanted to compliment these two men on their efforts.

Roll call was taken on the ordinance, resulting as follows:

Ayes 9: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary, Zatkovich and Mayor Johnston.

Nays 0. Absent 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19186

Authorizing the condemnation of property in King and Pierce County for construction of a well supply system.

Roll call was taken on the ordinance, resulting as follows:

Ayes 9: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary, Zatkovich and Mayor Johnston.

Nays 0. Absent 0.

The Ordinance was declared passed by the Chairman.

Ordinance No. 19187

Changing the name of a portion of Roosevelt Ave. to East 57th St. and a portion of Swan Creek Drive to East 59th St.

Roll call was taken on the ordinance, resulting as follows:

Ayes 9: Banfield, Cvitanich, Dean, Finnigan, Herrmann, Jarstad, O'Leary, Zatkovich and Mayor Johnston.

Nays 0. Absent 0.

The Ordinance was declared passed by the Chairman.

UNFINISHED BUSINESS:

Mr. Finnigan called attention to a letter from Mr. McCormick concerning the transit route extension as proposed by Doug Hendry, Director of City Transit. He complimented the Transit Dept. and asked the Council to read the surveys which had been made and voice their opinions next week.

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Mr. Finnigan requested the traffic division to continue the survey on a traffic light at East 56th and Portland Avenue so it will cover the opening of schools.

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Mrs. Banfield commented there is a large volume of pornographic literature being distributed in the City. She added she has procured a copy of a bill from Georgia which she wanted to distribute to the Council and would like to have a similar ordinance drawn up for Tacoma.

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Mr. Dean asked to make a comment relative to obtaining information from Model Cities Executive Board. He added the due dates for requests for letters to proceed and other requests are rapidly approaching. There seems to be a lack of communication and the minutes of the Model Cities have not been received on time.

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Mr. Dean reported the Tacoma Youth Symphony group will be returning on September 3rd and that information will be given out at a later date.

Mr. Cvitanich asked that a resolution be drafted regarding the display of the flag at half mast when a Pierce County serviceman loses his life in the Service. He added research has verified this is a proper flag procedure and, after a resolution is adopted, it can be sent to the County Commissioners for concurrence.

396/65

Mr. Cvitanich asked that a copy of the City of Edmonds zoning ordinance on off-shore drilling be obtained as that City has done a quantity of research on the subject. He asked that an ordinance be drafted and presented to the Council within a few weeks.

Mr. O'Leary reported that at their meeting of July 13th, the ODI Board of Trustees had voted to raise their per diem pay from \$16.00 to \$25.00. He added the Council has had no thoughts of disrupting any of the programs or getting any money taken from programs for the poor. He added a resolution was passed by the ODI Board. The gist of the resolution was that the poor people of the community are merely pawns in the midst of a political activity. Although they are designated to be the beneficiaries of the ODI program and have long awaited the outcome of their destiny. The ODI is responsive to their needs. Even though the poor feel they have been well-served by the existing community action agency. Numerous attempts have been made to implement effective compromises with the City and County. The resolution also indicated the poor will suffer from loss of funds because of duplication of administration costs and that the Tacoma ODI Board take direct and immediate steps to retain its designation as a Tacoma-Pierce County Community Action Program Agency.

Mr. O'Leary said he was bringing this to Council's attention to show that the ODI Board of Trustees had seen fit to pass resolutions such as this and at the same time deprive the REO people of funds and to curtail some programs, even though the City Council has never made any statements that would lead to curtailing any of the programs for poverty.

Mrs. Banfield said she had heard over the radio recently that Model Cities was advertising jobs for a number of high salaried people and commented on the fact that she had seen nothing to show that they had made any requests to the Council for approval in this regard in spite of the fact it had been decided everything should come through the Council on these programs.

Mr. Zatkovich said he had talked to someone recently who was very interested in the Model Cities program and other information had come to him showing dissention on certain parts of the Model Cities program. He thought a study session should be held with the Executive Board. He did not think that Model Cities should have advertised the jobs without going through the proper channels.

Mr. Finnigan asked if the green sheet submitted by Mr. Herman Walker, Director of Model Cities, to the City Manager was not, in effect, an attempt to advise what he is trying to do. He didn't think their advertising the positions would actually obligate them in any way.

Mr. McCormick said he had not been consulted by Mr. Walker or any member of his staff on their activities, even though his office has been told they are under the jurisdiction of the Council, and there has been a legal opinion to that effect. Mr. McCormick said he wanted to make it clear he is not responsible for any of these incidents and knew nothing about it until told a few days ago by Mr. Gaisford.

Mr. Finnigan said it is clear to him that the department head indicates he cannot do anything that is not advertised because before he can put people in a position he has to come before the Council and get approval. The fact that the department head in question is asking for people to apply for the positions does not really obligate the program in any way to those that might be chosen. He asked if the recruitment of applicants would actually obligate the program to those that might be chosen.

Mr. Hamilton, Acting City Attorney, replied that in any event the Council in this program has to create the positions before anyone can be hired and that an ordinance would have to be duly enacted to create the position and an appropriation to pay the salary before there is any commitment.

Mr. Cvitanich said a few months ago there had been a resolution to replace the Director of the Model Cities and there had been seven in favor of retaining him. A study session was held with the Executive Board, but he thinks the thrust should come from the Executive Board. It would be premature to have another study session at this time, he added.

Mr. O'Leary commented he had read an article in the Seattle paper relative to the President's veto menacing Model Cities programs. Inasmuch as the City of Tacoma formed the program \$39,000 to get started, he asked Mr. Gaisford, Finance Director, if this veto would affect the federal grant they expect to get for the Tacoma program or any other future grants.

Mr. Gaisford said any moneys that have been extended from the General Fund had been repaid, but in fact there is only enough to operate the department for five more days. He added they had hoped to hear from HUD in San Francisco that day. He said if the money is not forthcoming from the federal government, the Model Cities would not be allowed to continue and that Mr. Walker had procured the approval of the City Council to submit a request for additional funds.

Mayor Johnston commented he thought there should be someone who could make comments in Mr. Walker's absence regarding his being a Director and yet not being able to take action until coming before the Council. He said Mr. Walker should be complimented for his planning for the "first-action year", and affirmed all that has been done is preparation and planning. He commented this has not involved commitments of any future personnel. He knows Mr. Walker would not proceed without the approval of all the committees and the Council and said what had been done might be in the best interests of Tacoma.

Mr. Zatkovich said he had also favored the program and wanted it to be a success, but he is trying to advise the Council there is trouble on the ODI Board and that the advertising of jobs for this program is stirring up a real program. He commented the Council had met with their Executive Board sometime ago and agreed the program was important but there would be problems, but again the final approval should be the Council's. He added the recent action was something not even the Board was aware of and the Council should again review the program.

Mayor Johnston asked Mr. Zatkovich if someone had complained to him about the action taken by Mr. Walker in advertising for future positions or if he had gone to the Board.

Mr. Zatkovich explained that certain Board members had come to him and reported that the procedure was irregular.

Mr. Cvitanich said the Mayor's statement had been erroneous in saying no appointments had been made by the Director in question without consultation with the Council. Cvitanich referred to the fact that the Director had been told not to appoint an assistant manager, but he had done so anyway.

Mr. Jarstad said when the City Council took over the administration of the department from the jurisdiction of the City Manager, the Model Cities Director was left without any administrators on the Council level. He said he thought weekly meetings had been planned with the mayor and the Director of Model Cities, but if they were not going to have an administrative branch such as the City Manager's office to clear with, the FA&I Committee might be a logical one for them to clear with.

Mayor Johnston said he meets with Mr. Walker every Tuesday morning.

Mr. Zatkovich said if that is true the line of communication must have stopped there as he has heard nothing about it and commented that apparently the Mayor did not previously know much concerning tonight's subject either.

Mayor Johnston said that he has tried to encourage the best results from the Model Cities people by discussing things with them every Tuesday morning. He said the program could not be expected to be what is desired with conditions the way they have been in regard to organization, finance, etc.

Mr. Zatkovich re-emphasized he did not think the Mayor should meet with any Director and express opinions; that the nine Councilmen should be the ones to discuss the problems. Mr. Walker has always had enough favorable votes to go ahead with his program and is not suffering as the Mayor has suggested.

Mayor Johnston stated it is a well known fact that the Council rarely gets together to discuss anything as a group. There has been many attempts to hold study sessions, but the attendance has been very poor. Nothing has been discussed between himself and Mr. Walker that has not come before the Council that same evening. He added there has been no secrecy involved. He had been directed to meet once a week with Mr. Walker.

Mr. Dean asked if the Mayor would contact the Model Cities Board to arrange for a session to resolve the differences of opinion and lack of communication.

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COMMITTEE REPORTS:

Mr. Cvitanich said the Finance, Audit & Investigating Committee met and recommended approval of the first progress billing from the audit firm of Knight, Vale & Gregory, who is conducting the audit of the City finances. He added the billing is for \$14,000.06. He asked that a resolution be prepared for next week for the balance of the payment for the audit which is \$23,000 more than the original appropriation of \$45,000.

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331/LS
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Mr. Cvitanich moved to adopt the recommendation of the committee and that the first payment in the amount of \$23,000 be paid to the auditing firm. Seconded by Mr. O'Leary. Voice vote was taken. Motion carried.

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Mr. Cvitanich reported that the committee received a request for authorization to send two men to the Western States Safe-Burglary Conference in Phoenix, Arizona, and recommended permission be given for them to attend. He pointed out the committee feels the money would be well spent as delegates can consort with colleagues across the nation and talk about modes of operation and receive instruction not otherwise obtained by written reports.

Mr. Zatkovich agreed the trip would be well worthwhile to Tacoma as men actually work on projects and would be exposed to every phase of criminal study.

Mr. Cvitanich said it would not require a resolution, but be within the already established framework of the ordinance.

Mayor Johnston moved to allow two police officers to be sent to the conference in Phoenix, Arizona, Seconded by Mr. O'Leary. Voice vote was taken and carried unanimously.

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Mr. Cvitanich reported the FAI Committee had received a bill from the City Transit System for providing transportation to Point Defiance for the salmon bakes for four days in the amount of \$100. He recommended that the Council concur in the expenditure.

Mr. O'Leary moved to pay the transit system. Seconded by Mrs. Banfield. Voice vote was taken and carried unanimously.

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Mr. Cvitanich said the FAI Committee had received a request dated June 26, 1970, for an expenditure of \$302 for expenses incurred when Fire Dept. Captain Hamilton attended the Training Institute in Chicago. He said the committee voted 3 to 1 not to allow the expenditure. Due to establishing a precedent, the committee felt the entire Council should take action on the request. He added the former City Manager had approved the trip and the Fire Dept. Director, even though a policy had been adopted by the Council in February, 1970, directing such requests to be directed first to the City Manager, then to the Committee and then to the Council. In view of this, he asked for direction now from the Council on the matter.

Mr. McCormick said it was true the former Manager had approved this expenditure, in violation of the policy set forth by the Council, but that Mr. Hamilton had gone to the meeting at his own expense and made a complete report to the Council. Mr. McCormick said he thought Mr. Hamilton should be reimbursed, but this should definitely not set a precedent.

Mr. O'Leary said he would not blame Captain Hamilton for violating the policy, but would place responsibility on the department head and the former City Manager.

Mr. Cvitanich reviewed the resolution adopted in February and said even though other travel expenses had been granted around that date without proper authorization, he thought from February to June was time enough to allow for concurrence with the policy.

Dr. Herrmann thought the individual in question should not be penalized, because he had gotten permission from the former City Manager, and that it was a training class not a convention and, therefore, it might fall into a different category.

Mr. Dean said it is the Council's obligation to abide by its statement of policy and approving it without seeing the signature of the City Manager or without coming thru the proper channels of the City Council, the department head should not have allowed the trip. He thought if the rules are not going to be followed perhaps they should be changed.

Mr. Zatkovich said the Fire Chief may have been in the same position to obtain approval as the Captain who went to his chief for approval. He felt the Council is obligated to approve the expenditure.

Mr. McCormick asked if the policy established would include any kind of travel within the State. He thought it had been amended to include Portland and Eugene, Oregon, and verified the fact that Council's consent is required for all out of state travel whether for a convention or any other purpose except for Portland.

Mr. Cvitanich replied that was correct, except for travel outside the state, requests were to be submitted to the City Manager and then the Council. He said funds had been allocated to each department head so that he could utilize his own initiative for decisions as to travel.

Mr. McCormick asked for clarification for his own purpose. He asked if Council's consent was required for all out of state travel, whether for a convention or any other purpose, except for Portland and Eugene, Oregon.

Mr. Cvitanich read part of the resolution allocating money to each department for use in having persons attend one or two day meetings held within the State of Washington, to discuss or formulate policies essential to City business. He said Mr. McCormick also has that authority as a department head.

Mr. Dean asked if the City has a claim against the former City Manager, would it not be the same claim as would be made against any other citizen and, therefore, Mr. Oles would be responsible for the amount claimed.

Mr. Hamilton replied this was a possibility and that he would like to review the policy set forth in the resolution and would inform the Council at a later date.

Mr. Dean moved to continue discussion for one week, over to September 1st. Seconded by Mr. Jarstad. Roll call was taken, resulting as follows: Ayes 5: Dean, Herrmann, Jarstad, Zatkovich, and Mayor Johnston. Nays 3: Banfield, Cvitanich and O'Leary. Absent 1: Finnigan (left meeting at 11:00 P.M.). Motion carried.

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REPORTS BY CITY MANAGER:

Mr. McCormick said the extension of transit routes as requested will be beneficial in providing additional service and revenue to the City and unless the Council opposes the extension, it will be put into effect on September 8, 1970, at a minimum cost to the City. 200

Mayor Johnston said inasmuch as Mr. Hendry's report had been adequate and the City Manager recommends it, the service should be added.

Mrs. Banfield asked that Mr. Hendry investigate and report on the use of minibusses. 200

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COMMENTS BY MEMBERS OF THE CITY COUNCIL:

Mr. Jarstad reported that Mr. Leslie Reed of the Teleprompter, CATV, had called him from New York and that Irving Conloe would appear before the Council next week to report on their plans.

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Mr. Cvitanich inquired about the Mayor's statement regarding abiding by the "letter of the law".

Mayor Johnston reviewed the fact that in his opinion when the Council attempted to get some resolutions passed regarding the Recall of members, they had not been able to abide by the letter of the law because of the abstentions by members of the Council, and at that time he thought perhaps the letter of the law was being slightly twisted.

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Mr. O'Leary moved to suspend the rules to take advantage of the radio time on a subject of public interest. Seconded by Mrs. Banfield, Voice vote was taken. Motion carried.

Mr. O'Leary thanked the Tacoma News Tribune for publishing the proposed lengthy amendments in full legal form, but said they had misconstrued some meaning in the editorial.

Mr. Dean commented they had misinterpreted the recommended structure for City Government by calling it the Mayor-Council form; whereas, the reverse is true, and further said that the editorial had stated the principal change would be that the Mayor be vested with all power and authority of a chief administrator which had formerly been the City Manager's. He thought the editorial had been written hurriedly and had advised the public to vote "no" on charter changes. However, the opposite is the case. a/2

Mr. Jarstad said under charter changes, Councilmen would be serving for two more years as full-time Councilmen and their pay could not be raised above \$25 per week. Therefore, they would be faced with either resigning or continuing as at present. He added this had been overlooked by the committee.

Dr. Herrmann said the views of the press seemed to be some he had previously expressed when the changes were first brought up months ago. He hoped the first charter change will be adopted.

Mr. Cvitanich said he thought all Council members should promote the charter amendments to the public, especially since most of them are housekeeping measures to bring the charter up to date and to comply with state law. He said Mr. McCormick had presented the proposed charter changes to Central Labor Council the week before and it is interesting to note that the labor group is holding their opinion in abeyance and taking no position, thereby reversing the position they have taken nationally opposing the Council-Manager form of government. He quoted at length from a 1956

Labor newspaper, which had indicated the City-Manager forces attempted to confuse and divide the electorate, and had ridiculed the City officials.

Mr. Cvitanich further pointed out that Tacoma has previously had 13 years of the City Manager control, with the Council being elected but only in theory being in control. He added, inasmuch as the City Council serves only on a part-time basis, members cannot be expected to assimilate full knowledge of the City's affairs, and the only solution is a full-time Mayor and a full-time Council as proposed in the Charter changes, especially since Tacoma is one of the 70 largest cities in the United States.

Mr. Cvitanich continued the present situation compares with that in 1956 and the people have heard the same story many times in the past regarding Manager-Council government, but in the last few years, they have been more aware of the true facts, and issues should not be clouded at this time. He referred to Fact Sheet No. 4 issued by a SOAP committee consisting of Virginia Schackelford, Marie Glunt and Helen Anderson, which he thinks brings out the truth.

Mr. Zatkovich stated he has always been on Labor's side and it is his opinion, that a certain group who says they are representing labor have rubbed elbows for so long with those on the other side, their thinking is the same.

Mr. McCormick explained the City is under one of many forms of Council-Manager government and which is not a true Council-Manager form because of separate department of utilities and boards. If it were a pure form, everything would be under the direct control of the City Manager, but Tacoma has formulated one which fits the particular operation of this City.

Mr. Cvitanich stated they concur with having four members elected from districts north, south, east and west, because of time elements and having more representative participation by Council members. In relation to the "balance of power", he said the accusations in the newspaper were not true. He said his main objection to the present form of government has been that one person has the right to hire and fire department directors without confirmation by the Council. The proposed change would improve this method by having the mayor make the appointments, but the Council majority would be approving the appointments.

Mr. McCormick explained the power of the Mayor is to vote only in cases of tie or on emergency ordinances, where it takes one more than a majority to pass.

Mr. Cvitanich said the newspapers had indicated the Council members would be running the City government, but this is not true. He explained each Council member would become a member of one or more committees and in turn the committee recommendations would be referred to the Council for action. He explained no chairman or committee could interfere with any department head or other employee regarding policy changes or findings. Such action would go to the Mayor or the Council.

Mr. Cvitanich further commented concerning the structure of the Council-Mayor form of government and salaries of members and pointed out that if the plans are put into effect, the position of City Manager would be abolished and that no increase in salaries for Council members would take place until 1971, when it would have to be voted on by the electorate. Total salary for full-time Council and Mayor would be \$108,000 a year and salaries for these positions would be permanent with no annual raises.

Mr. Jarstad asked if there would be a fund available to hire administrative assistants, where the money would come from to provide administrative help between the election and the next budget period and how long the interim period would be.

Mayor Johnston stated he thought members would serve on their existing salaries until the Council took action to designate commensurate salaries, not to exceed the approved salaries, which would be in force until they again ran for office at the next election, in some cases, a little over three years for the majority of the members.

Mr. McCormick replied there would ordinarily be four Council members coming up for election in November, 1971, and would take office in January, 1972, and that two members would be dropped at that time. The Mayor and two members would be elected at that time, at whatever salary was fixed by ordinance prior to the election. The members held over and not elected until 1973, would not get an increase until elected. Then by 1974, all members would be on an equal basis.

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Dr. Herrmann said he was glad that Mr. Cvitanich pointed out that all the charter changes proposed are not all bad. He thinks some public hearings should be held and people who haven't changed their opinions since 1956 are pretty old fashioned. He suggested having an open meeting to discuss the changes other than at this Council meeting.

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CITIZEN'S COMMENTS:

Mr. John Zelenak, a Tacoma citizen, spoke to the Council regarding the Recall activity. He said it is the same type of government the City has had for years-- government by a few for the benefit of a few, at the expense of all the people. He said in the past, the majority rule had been broken up in the Council, but now a small group is claiming they want everything done according to the law.

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ITEMS FILED IN THE OFFICE OF THE CITY CLERK:


- a. Minutes of the Executive Board of the Model Cities for June 4th.
- b. Minutes of the Advisory Association meeting of the Model Cities meeting of June 25th.
- c. Minutes of the Civil Service Board meeting of August 3rd.
- d. Minutes of the regular meeting of Park Board Commissioners for August 10, 1970.
- e. Monthly Report #10 for July 1970 - Model Cities.
- f. Personnel report for July, 1970.

Placed on file.

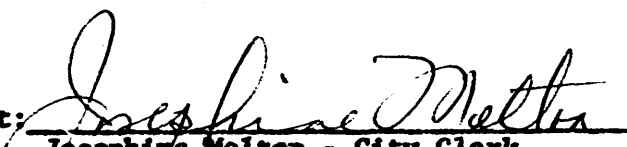
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Mr. Dean moved to adjourn the meeting. Seconded by Mr. Jarstad. The meeting was adjourned at 11:20 P.M.

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 Gordon N. Johnston - Mayor

Attest: 
 Josephine Melton - City Clerk