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"Harmony in
Diversity"

PORTLAND CITY CLUB BULLETIN

"Active
Citizenship"

VOLUME VI

PORTLAND, OREGON, JUNE 18, 1926

NUMBER 37

FRIDAY, JUNE 18

Hotel Benson, 12:10

SPEAKER

BEN H. WILLIAMS

*University of Pittsburgh
Department of Political Science*

SUBJECT

**"The Pennsylvania Situation and What It
Means To The United States"**

SPEAKER

C. P. KEYSER

Superintendent of Parks

SUBJECT

"Portland's Park and Recreational Problems"

REPORT

THE SCHOOL TAX LEVY AND BOND ISSUE

SCHOOL TAX LEVY AND BOND ISSUE FAVORED

A careful analysis of the school tax levy and bond issue, which will be submitted to the voters for their approval at the school election on Saturday, June 19, is presented in this issue of the *Bulletin*. A committee of the Education Section of the Club has prepared the report which favors the tax levy and bond issue and points out the need for a favorable vote.

Members of the committee which made the study are: William L. Brewster, chairman, John A. Laing and W. G. Eliot, Jr. The report has been approved by the Board of Governors

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FINANCIAL PROBLEMS OF CITY EXPLAINED

The city's financial program under the amendment which will be submitted to the voters on July 1st was explained in detail by Sigel Grutze, Chief Deputy Auditor of the City of Portland, in an address before the City Club last Friday.

"The purpose of the amendment to the charter is to eliminate special elections and the cost incident thereto, and to put the city on a sound financial basis," said Mr. Grutze. "In case the amendment is not adopted it will mean a reduction of from 20 to 25 per cent in service in

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PORTLAND CITY CLUB BULLETIN

Published Weekly By

THE CITY CLUB

OF PORTLAND

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Entered as Second Class Matter, October 29, 1920, at the postoffice at Portland, Oregon, under act of March 3, 1879

City Club dues are \$1.00 per month, payable semi-annually on May 1st, and November 1st. There is no initiation fee.

CITY CLUB PURPOSE

"To inform its members and the community in public matters and to arouse them to a realization of the obligations of citizenship."

CITY CLUB BOARD of GOVERNORS

ERNEST C. WILLARD	President
J. P. NEWELL	First Vice-President
W. H. MARSH	Second Vice-President
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THADDEUS W. VENESS	
ELMER R. GOUDY	Executive Secretary

IRVINE LAUDS WEST

"The ignorance about Oregon among the people of the Eastern part of this country is absolutely discouraging," declared B. F. Irvine, Editor of the Oregon Journal in an address before the City Club last Friday.

At an international convention of journalists held in Washington, D. C., Mr. Irvine said that not one speaker appearing on the program lived west of the Allegheny Mountains. Out of 107 tourists who were making a trip to Europe on one of the large tran-Atlantic liners only seven had seen the United States. Many of these 107 had visited Europe two or three times before.

The crowded conditions of the large eastern cities were compared with those of western cities, where there is a freedom which makes living conditions pleasant. Contracting conditions of such cities as New York and Washington with the open freedom of the west Mr. Irvine said. "I am more than ever appreciative of Oregon and the conditions of living which we enjoy here since I have returned from an extended visit throughout the East. It is lovely to be back in Oregon where you have room to move, to breathe, to live."

CITY CLUB NOTES

Membership in the City Club is by invitation only. A healthy growth is possible only when members invite men they can recommend. Will you do your part?

W. H. Marsh, Second Vice-President of the Club, outlined the plan for increasing the membership of the Club at the luncheon meeting last week. The need for co-operation of the members as a whole was pointed out. He urged that membership prospect cards which were mailed some two weeks ago be returned to the office. It is necessary that these cards be filed before the plan can be put into effect properly. The results that have already been obtained under this plan promise a very substantial increase in the membership for the Club year.

A committee of the City Club is now studying the city's special tax levy and tax limit amendment which will come before the voters at a special election on July 1st. Members of the Committee are Robert G. Dieck, chairman, John A. Lee and Francis H. Murphy. It is expected that the report will be ready for submission to the Club next week.

APPLICATIONS FOR MEMBERSHIP

The following applications for membership in the City Club have been received:

TRUMAN W. COLLINS

Lumber
477 Pittock Block

E. A. GRIFFITH

Accountant
Western Bond and Mortgage Co.
72 Broadway

HAROLD F. MILLER

Owner, Portland Rug Co.
1672 East 17th Street

J. D. NEILAN

General Insurance Brokerage
219 Lumbermens Building

Proposed for membership by M. D. Wells, Ralph Mitchell, L. W. Miller and C. C. Ludwig.

SCHOOL TAX LEVY

(Continued from Page 1)

for submission to the Club and will be presented on Friday, June 18th.

The report follows:

To the Board of Governors:

Your committee on the school election begs to report:—

The Portland School Directors ask for authority to levy a special tax to produce \$1,300,000 and to issue bonds for \$4,500,000 for new buildings and equipment.

Heretofore the school district has had a limitation on its levy of six and one-half mills and the further limitation fixed by the state constitution, that the increase of tax in any year over the preceding year should not exceed six per cent. The tax situation was also complicated by the fact that the assessed valuation of property on the tax roll remained practically stationary. In 1925 the six and one-half mill levy limitation was removed and this is the first election when theoretically it has no effect, but the six per cent constitutional limit on increase still remains and as a result the district can raise out of the district levy together with the common school fund and the state school fund only \$3,433,000, whereas the budget for the schools calls for \$4,790,000. In other words, there is a shortage of \$1,300,000 which can be raised only by the special levy asked for at the coming election.

These special levies will be required each year until the state constitution is amended either by lifting the base of the district's levy or by the entire repeal of the six per cent limitation of increase.

Two years ago the directors adopted a fifteen year building program calling for about \$15,000,000 and asked for the first installment of \$5,000,000. (It was, in fact, a 13 year program from 1924 to 1937 with a first subdivision of 3 years and two of 5 years each). This heavy program was necessary through the failure to construct buildings during and immediately after the war. The \$5,000,000 issue was authorized in 1924 and has been used in new buildings, equipment and sites. There is a present unencumbered balance of \$1,100,340 which will be spent the coming year on buildings already under consideration.

To postpone even for one year the authorization of bonds for construction would mean that the school board would have to suspend its planning for future work until the bonds are

finally granted. In the next five year period there are at least three schools which require immediate attention. Beach, Errol Heights and Duniway are all in portables and it is the intention of the Board to proceed at once with planning the construction of buildings in these localities if the bonds are authorized at this time. Portsmouth and Lewellyn are in old buildings and also need early attention.

The Board with its present membership has shown intelligent devotion to difficult work, a desire to keep the public informed of its plans and performances and ability to co-operate with its administrative staff, the teachers and parents. It should, therefore, have this vote of confidence from the public; but more important than this feature, the special tax measure and the bond issue should be voted in order to prevent the school system from taking a long step backward and the school children from suffering the handicap of fewer school weeks and much restricted courses of study. It is most advisable that members to be elected should be of type and character equal to that of the present membership and committed to the present improvement program.

Your Committee recommends:

1. That the City Club approve the special tax levy and the bond issue and exert every energy to obtain a full and favorable vote.
2. That particular attention be given to the maintenance of a high standard of Board membership.

Respectfully submitted,

WILLIAM L. BREWSTER, Chairman
 JOHN A. LAING
 W. G. ELIOT, JR.

The report of the Public Health section on the sanitary conditions in the public schools was published in the last issue of the City Club Bulletin. The report states that the conditions found in the schools were very much a surprise to the members who made the investigations. "As a general statement we would say that the conditions in all of the schools were remarkably good, and showed a diligent and constant effort on the part of the principals and janitors to keep conditions at their best. Their efforts merit commendation. The committee has found nothing that might serve as even a fairly reasonable basis for adverse rumors." 500 extra copies of the *Bulletin* have been printed and will be distributed through the schools. A few extra copies may be obtained at the City Club office.

FINANCIAL PROBLEMS

Continued from page 1

the fire, police, parks, street cleaning and lighting departments.

"The amendment to be submitted to the people for their consideration on July 1, 1926, provides for a levy of not to exceed three mills for the year 1927, graduated down to two-tenths of one mill for the year 1936, at which time the increase of the six per cent on the yearly levies will be sufficient to care for all future needs of the city and no special levies will thereafter be required," said Mr. Grutze.

"This proposed Charter amendment has been studied and carefully worked out by the Charter Committee, and its subcommittee on finances, which subcommittee consists of Emery Olmstead, Ira Powers, I. N. Fleishner and S. Grutze, and has received the study of the City Attorney. Considerable time has been spent on it by these gentlemen.

"The budget for general municipal expenses is prepared by the Council and submitted to the Tax Supervising and Conservation Commission for final approval. The budget for 1926, which amounted to over \$4,000,000, as submitted by the Council, was only reduced \$23,000 by the Tax Supervising and Conservation Commission, which plainly shows that the Council has kept expenses down to the minimum.

"Tax levies for the years 1920 to 1926, inclusive, aside from tax levies for the payment of bonded indebtedness and interest thereon and expense of the Dock Commission:

1920.....	11.05	mills
1921.....	11.327	mills
1922.....	10.549	mills
1923.....	10.65	mills
1924.....	10.306	mills
1925.....	10.46	mills
1926.....	10.531	mills

"The general property tax levy per capita on account of general expenses of the city, including public schools, as shown by United States government statistics for the year 1924, covering five cities immediately above and five cities immediately below Portland in population:

Indianapolis, Ind.....	\$40.91
Rochester, N. Y.....	41.29
Jersey City, N. J.....	50.42
Louisville, Ky.....	23.13
Toledo, Ohio.....	33.83
PORTLAND, ORE.....	26.63
Denver, Colo.....	37.95
Columbus, Ohio.....	31.80
Providence, R. I.....	36.92

St. Paul, Minn.....	33.12
Oakland, Calif.....	26.43

"Seattle is not computed for the year 1924. For the year 1923, Seattle's per capita was \$46.14 against Portland's \$30.00. San Francisco, Calif. per capita for 1924 was \$41.11 against Portland's \$26.63.

"In November, 1916, an amendment to the State Constitution was adopted by the people providing that unless specifically authorized by the legal voters, neither the State nor any county, municipality, district or body to which the power to levy a tax shall have been delegated, should in any year so exercise that power as to raise a greater amount of revenue for purposes other than the payment of bonded indebtedness or interest thereon than the total amount levied by it in the year immediately preceding for purposes other than the payment of bonded indebtedness or interest thereon plus six per centum thereof.

"The assessed valuation which in 1913 was \$320,939,912.00, had decreased, and in 1917, the first year that the six per cent limitation was applied, was only \$284,819,955.00. Had the assessed valuation increased from 1913 to 1917, in the same proportion that it did for the nine years immediately preceding 1913, said valuation would have been about four hundred million dollars.

"Prior to January 1, 1916, the receipts on account of saloon licenses, which helped to defray the general expenses of the City, amounted to about \$375,000 annually, and this amount during the past eleven years would aggregate \$4,125,000.00

"In November, 1918, the 5% overhead charge on account of the improvement of streets and the construction of sewers, was repealed, and said overhead charge was paid from receipts from general taxation, causing a loss of approximately \$532,288.00.

"In 1921 the Legislature passed a bill which abolished the assessing of automobiles and trucks as personal property, and provided a license tax of which the state receives 75% and Multnomah County 25%. The City has lost on this item alone not less than \$600,000 in the past six years.

"The above mentioned legislation could not be foreseen by the Committee which drafted the 1913 Charter, and the City has lost from \$750,000.00 to \$800,000.00 annually in General Fund receipts on account of legislation over which the Council had no control, and the tax limit has not been raised to correspond."