

SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES

November 17, 1999

The special study session of the Des Moines City Council was called to order by Mayor Thomasson at 7:32 p.m. in the Council Chambers, 21630 11th Avenue South.

ROLL CALL - Present: Mayor Scott Thomasson, Mayor Pro Tem Terry Brazil, Councilmembers Dave Kaplan, Bob Sheckler, Dan Sherman, Gary Towe and Don Wasson (arrived at 7:36 p.m.). Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, City Attorney Gary McLean, Finance Director Scott McCarty, Public Works Director Tim Heydon, Assistant City Engineer John Morast, and Deputy City Clerk Angela Chaufy.

DISCUSSION ITEMS

Continued Discussion of Preliminary Year 2000 Budget

City Manager Olander confirmed Council's shared assumptions that they wished to increase revenues prior to the end of the year and then present a utility tax increase to the voters in Spring, 2000. City Manager Olander asked Council to provide direction regarding where budget cuts should be applied. He presented the following two options:

- Option A: Focus cuts on Park and Recreation Department.
- Option B: Apply across the board cuts to all departments.

At 7:36 p.m., Councilmember Wasson arrived.

City Manager Olander recognized the value of all the city's programs but said that Council needed to identify the core functions of government. He stated his belief that if cuts were applied across the board, service would be reduced to a mediocre level. He voiced his support for Option A, as it would allow the departments remaining to still provide a good level of service. He thought that Option B would result in inefficiencies that would be noticed but not understood by the public.

Councilmember Kaplan stated his preference for the formation of a park district but noted that the majority of Council had not supported this option. He said that the budget should be balanced based upon available dollars rather than anticipated dollars gained through the vote of the people. Given the options presented, Councilmember Kaplan said that he supported Option B.

In his opinion, Mayor Thomasson said that it did not seem reasonable to close the park program completely. Therefore, he voiced support for Option B.

Councilmember Wasson said he supported Option B as it would keep programs going as long as possible.

Mayor Pro Tem Brazil felt that it was unreasonable to cut all of the Park and Recreation Department. Therefore, he also preferred Option B.

Councilmember Sheckler said that the Park and Recreation department prevented the city from becoming a slum area. Therefore, he supported Option B.

Councilmember Towe felt that the issue before Council was one of value for tax dollars. He felt that Option B would provide the residents with mediocre service. He felt that the mediocre service would then jeopardize the utility tax vote as residents would be asked to raise the utility tax only to maintain the mediocre service. Councilmember Towe voiced support for Option A as it would provide a higher level of service to the residents.

Councilmember Sherman felt that it was important to honestly communicate with the public. As he did not intend to cut Park and Recreation entirely, he felt that it would be unfair to the voters to present the utility tax in that manner. Therefore, Councilmember Sherman said he supported Option B.

Mayor Thomasson asked Council to discuss what percentage the utility tax should be presented to the voters.

Through discussion, general consensus was to present the utility tax at a 3% level to the voters.

Councilmember Sherman noted that passage of a 3% utility tax would still require cuts in service while a 4% utility tax would maintain the current level of service.

Councilmember Kaplan stated his opposition to the concept of increasing the utility tax but said that if it should be presented to the voters, he could support a 3% level.

Draft Ordinance Nos. 99-243 & 99-247 Property Tax Levy Year 2000

Finance Director McCarty displayed a chart of the 1999 Property Tax levy distribution. He estimated that the city received 13% of the property tax which translated to approximately \$14.06 per \$1,000 assessed value. He noted that under the conditions of Referendum 49, the maximum amount of general property taxes that could be assessed for the year 2000 was \$2,369,569. Finance Director McCarty informed Council that utilization of the maximum amount would result in an increase of \$204,893 for next year.

Councilmember Towe asked that staff determine the affect on the property tax should all the levy amounts be raised to their statutory maximum.

Finance Director McCarty explained that since the proposed increase was greater than 6% of the prior year's maximum levy rate, Council must find substantial need and pass the ordinances by a supermajority. He noted that the Council had requested that the levy rate be submitted to them by November 22, 1999.

Mayor Thomasson read the title of Draft Ordinance No. 99-243 into the record.

MOTION was made by Councilmember Sherman, seconded by Councilmember Sheckler, and passed unanimously to pass Draft Ordinance No. 99-243 on to a second reading at the November 18, 1999 meeting.

Mayor Thomasson read the title of Draft Ordinance No. 99-247 into the record.

MOTION was made by Councilmember Sherman and seconded by Councilmember Kaplan to pass Draft Ordinance No. 99-247 on to a second reading at the November 18, 1999 meeting.

Upon questioning, Finance Director McCarty confirmed that if the ordinance did not pass by a supermajority, the levy rate would revert to the IPD formula for a total of \$2,274,535.

VOTE ON MOTION: Motion passed unanimously.

At 8:54 p.m., Mayor Thomasson declared a ten minute break.

Draft Ordinance No. 99-248 & Draft Res. No. 99-242 – Business License Fee

Assistant City Manager Piasecki introduced the subject. He noted that the proposed legislation would triple the current business license fees and would result in an additional \$130,000 revenue per year for the city. The new rates would be set at \$150 for a commercial license, \$60 for a home occupation, and \$33.90 per unit for rental of real property.

Mayor Thomasson read the title of Draft Ordinance No. 99-248 into the record.

MOTION was made by Councilmember Sheckler and seconded by Mayor Pro Tem Brazil to pass Draft Ordinance No. 99-248 on to a second reading at the November 29, 1999 meeting.

VOTE ON MOTION: Motion passed, 6 – 1, with Councilmember Wasson opposed.

Mayor Thomasson noted that Draft Resolution No. 99-242 would also be considered at the November 29, 1999 meeting.

Assistant City Manager Piasecki explained that rental of real property fees helped to finance the required inspections and code enforcement duties associated with apartments.

Draft Ordinance No. 99-220 – Amend Utility Tax

Finance Director McCarty informed Council that Draft Ordinance No. 99-220 would increase the utility tax by 1% and result in an additional \$300,000 revenue per year. He noted that the utility tax would apply to electric, natural gas, solid waste, cable television, and telecommunication services.

Mayor Thomasson read the title of the Draft Ordinance No. 99-220 into the record.

City Attorney McLean noted that, if passed, the ordinance would be imposed sixty days after passage.

Mayor Pro Tem Brazil stated that he would not support the draft ordinance as he believed the utility fees would not be paid by the utility but passed on to the citizens.

MOTION was made by Councilmember Sherman and seconded by Mayor Thomasson to pass Draft Ordinance No. 99-220 on to a second reading at the November 29, 1999 meeting.

MOTION was made by Councilmember Kaplan and seconded by Councilmember Wasson to amend the proposed ordinance to add a sunset provision effective December 31, 2001.

Councilmember Kaplan confirmed that adoption of the sunset clause would cause the utility tax to revert back to 5% effective December 31, 2001. He felt that the sunset clause would allow the utility tax to go to the vote of the people in 2001.

Councilmember Sherman stated that he preferred a steady increase rather than subjecting the city to another period of uncertainty and potential cutbacks.

Upon questioning from Mayor Thomasson, City Attorney McLean explained that a vote of the people would be required to remove an adopted sunset clause.

VOTE ON AMENDMENT: Motion failed, 2 – 5, with Councilmembers Kaplan and Wasson voting “yes”.

VOTE ON MOTION: Motion failed, 3 – 4, with Mayor Pro Tem Brazil and Councilmembers Wasson, Towe, and Kaplan opposed.

Council confirmed that staff should propose an additional \$300,000 in cuts.

Draft Ordinance No. 99-241 – Surface Water Management Fees and Hook-up Charges

Public Works Director Heydon explained that Draft Ordinance No. 99-241 was before Council due to the passage of Initiative 695. As it was uncertain whether the annual inflation adjustment set by Ordinance 1220A would require voter approval, Public Works Director Heydon said that Draft Ordinance No. 99-241 would cover the inflation increase for years 2000 and 2001 and continue an annual inflation adjustment thereafter, assuming the court ruled that inflation adjustments were acceptable under Initiative 695. Draft Ordinance No. 99-241 also proposed a 3% adjustment in the storm water hookup fee. Public Works Director Heydon noted that the five year sunset clause contained in Ordinance 1220A had been omitted in the proposed legislation due to Initiative 695.

In response to Mayor Pro Tem Brazil’s question, City Attorney McLean noted that construction haul routes would require a SEPA analysis. If an impact was determined, those impacts would be mitigated.

Mayor Thomasson asked that the language regarding development permit charge and participation charge be standardized.

Mayor Thomasson read the title of the proposed ordinance into the record.

MOTION was made by Mayor Thomasson and seconded by Councilmember Kaplan to pass Draft Ordinance No. 99-241 on to a second reading at the November 18, 1999 meeting.

Public Works Director Heydon confirmed that the proposed ordinance was not designed to increase revenues but to protect the increases already authorized by Council.

VOTE ON MOTION: Motion passed, 6 – 1, with Councilmember Wasson opposed.

Draft Ordinance No. 99-204 – Creating a Street Light Utility

City Attorney McLean introduced the subject. He noted that a Street Light Utility would support the city’s street lighting and traffic signals. These expenses were currently funded by the general

fund. He explained that the assessment of charges would be determined by minimum parking space requirements.

Assistant City Engineer Morast detailed the costs associated with electricity and maintenance of street lights, traffic signals, flashing beacons, and related administration charges. He projected the costs for Year 2000 to be \$254,638 and \$262,069 for Year 2001. He also estimated the total number of parking spaces in the city to be 22,362.

City Attorney McLean explained that the proposed ordinance would not affect the ownership of the poles or lights. Upon questioning, City Attorney McLean said that the inclusion of schools and the post office would be a policy decision for Council. In regard to billing for the street light utility, City Attorney McLean noted that several of the local utility districts had indicated that they would be willing to handle the process. He suggested that businesses be billed through the business license program. If passed, City Attorney McLean suggested setting an effective date of December 31, 1999 with a three month credit so as to avoid back-billing.

Assistant City Engineer Morast presented a revised fee schedule that would include excess capital capacity. He noted that the schedule would increase the annual charge per house from \$23.44 to \$29.68.

City Attorney McLean said that he would research whether businesses in other cities pay a street light utility. He confirmed that the street light utility district would not be subject to the utility tax.

Council briefly discussed the subject and its billing options.

Mayor Thomasson read the title of Draft Ordinance 99-204 into the record.

MOTION was made by Councilmember Kaplan and seconded by Councilmember Sheckler to pass Draft Ordinance 99-204 to a second reading at the November 29, 1999 meeting.

Council voiced a general consensus for a rate of \$1.25 per month for a house/rental unit (2 spaces).

Councilmember Wasson said he was opposed to the proposed ordinance.

VOTE ON MOTION: Motion passed, 6 – 1, with Councilmember Wasson opposed.

NEXT MEETING DATE

Mayor Thomasson announced the next regular meeting would be November 18, 1999.

ADJOURNMENT

The meeting adjourned at 10:20 p.m.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk