

SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES

November 29, 1999

The special study session of the Des Moines City Council was called to order by Mayor Thomasson at 6:08 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. Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, City Attorney Gary McLean, Finance Director Scott McCarty, Park & Recreation Director Patrice Thorell, Public Works Director Tim Heydon, and Deputy City Clerk Angela Chaufy.

DISCUSSION ITEMS

Draft Ordinance No. 99-248 [Assigned Ord. No. 1247] and Draft Resolution No. 99-242 [Assigned Res. No. 877] Business License Fees

Assistant City Manager Piasecki introduced Draft Ordinance No. 99-248 and Draft Resolution No. 99-242.

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

MOTION was made by Councilmember Sheckler and seconded by Councilmember Towe to approve Draft Ordinance No. 99-248.

VOTE ON MOTION: Motion passed, 4 – 3, with Councilmembers Kaplan, Sherman, and Wasson opposed.

Mayor Thomasson read the title of the draft resolution into the record.

MOTION was made by Councilmember Towe and seconded by Mayor Thomasson to approve Draft Resolution No. 99-242.

VOTE ON MOTION: Motion passed, 5 - 2, with Councilmembers Kaplan and Sherman opposed.

Draft Ordinance No. 99-204 [Assigned Ord. No. 1248] Creating a Street Light Utility

City Attorney McLean informed Council that Section 3 of the proposed ordinance directed the service charges for persons, businesses, properties, or other unspecified uses in DMMC 18.44.060 to be calculated using the Institute of Transportation Engineering Manual for Parking Generation, 2nd Edition.

Finance Director McCarty noted that further research had increased staff's original estimate of 2,500 non-residential parking spaces to 8,256. Given the increase in parking spaces, he questioned whether Council wanted to decrease the monthly per space charge from \$1.25 to \$1.00 and thus maintain the previous target amount of approximately \$335,000 or keep the \$1.25 charge and have more money available for capital improvements.

Councilmember Towe confirmed that the city currently funded the street light program through the General Fund.

Upon questioning, City Attorney McLean explained that the Public Works Director's decision regarding minimum parking space requirements would be appealable to the Hearing Examiner. He also noted that the proposed ordinance provided a process for the landowner to apply for exempt status if their land was vacant and not used for parking purposes. City Attorney McLean reiterated that all money earned by the street utility would be designated specifically for the street utility program.

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

MOTION was made by Councilmember Kaplan and seconded by Councilmember Sheckler to enact Draft Ordinance 99-204 with a rate of \$1.00 per space per month.

MOTION was made by Councilmember Towe and seconded by Mayor Thomasson to amend the rate to \$1.25 per space per month.

Councilmember Towe stated his belief that the city was currently deficient in streetlights and traffic signals. He felt that an additional \$3.00 per year was worth the benefit gained.

VOTE ON AMENDMENT: Motion passed, 6 – 1, with Councilmember Sherman opposed.

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

Draft Ordinance No. 99-244 [Assigned Ord. No. 1250] Marina Rates

Harbormaster Dusenbury introduced the subject. He briefly informed Council of the proposed rate structure and its comparison to other marinas in the area. Upon questioning, he explained that marinas that primarily served boats 28 feet and under and provided covered moorage were selected as comparables.

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

MOTION was made by Councilmember Sheckler and seconded by Mayor Pro Tem Brazil to approve Draft Ordinance No. 99-244 with the inclusion of an exemption to individuals who were currently on record as residing in Des Moines.

City Manager Olander confirmed that the intent of the residential discount was to remove that portion of the proposed fee that was in excess of the regular 4.6% rate increase for Des Moines residents.

Harbormaster Dusenbury estimated that the resident discount would result in a revenue loss of \$20,000 – 25,000.

City Manager Olander confirmed that the capital program could continue despite the loss of this money.

Mayor Thomasson questioned whether the discount could apply to future marina tenants who resided in Des Moines. He suggested that the Harbormaster clearly define the criteria for residency.

Councilmember Sherman asked that administration develop residency rules that would apply to future tenants also and submit them for Council's review within six months.

City Attorney McLean suggested that language be added to the proposed ordinance that referenced separate rate schedules for bona fide Des Moines' residents and non-residents. He also recommended that residency determinations by the Harbormaster be appealable to the Hearing Examiner.

Council voiced general support for a resident discount.

Councilmember Towe stated that he felt that the marina already contributed more than its fair share to the General Fund. Therefore, he could not support the transfer of more money from the Marina to the General Fund.

Councilmember Kaplan voiced concern with creating an inequitable rate system.

Councilmember Wasson voiced support for Councilmember Towe's comments.

At 7:22 p.m., Mayor Thomasson declared a ten minute break and directed administration to draft new rate schedules which incorporated the resident discount.

As staff was still working on the new rate schedules, Mayor Thomasson announced that the issue would be tabled until later in the meeting.

Councilmember Sheckler and Mayor Pro Tem Brazil withdrew their motion.

Draft Ordinance No. 99-255 [Assigned Ord. No. 1249] Utility Tax

Mayor Thomasson read the title of Draft Ordinance No. 99-255 into the record.

MOTION was made by Mayor Thomasson and seconded by Mayor Pro Tem Brazil to enact Draft Ordinance No. 99-255 increasing the City's utility occupation tax rate, amending chapter 3.68 of the Des Moines Municipal Code, and calling for reconsideration and/or repeal of the utility occupation tax rate increase if the state legislature replaced City funding lost through passage of Initiative 695.

Councilmember Kaplan said that he felt a utility tax was not a long term method to finance the City but that he recognized the consequences should the utility tax not pass.

Councilmember Sherman voiced support for the proposed ordinance as it applied to exempt businesses as well.

VOTE ON MOTION: Motion passed, 5 – 2, with Councilmembers Kaplan and Wasson opposed.

Draft Ordinance No. 99-245 Year 2000 Budget

City Manager Olander summarized the following previous determinations of Council:

- Raise fees and revenues,
- Place a 3% utility tax vote on the April or May ballot, and

- If the vote failed or if additional revenues were not forthcoming from the State, apply across the board cuts to the budget (Option B).

He reviewed the projected revenues should the utility tax vote pass or fail. City Manager Olander then reviewed the following proposed reductions identified in Option B.

<u>General</u>		<u>Police</u>	
Legislative	\$25,000	3 CSO & 3 Police Officers	\$308,900
Human Services	32,000		
Historical Society	5,400		
Survey	10,000	<u>Parks</u>	
Fire contract	6,200	Various	\$350,000
Engineering (.5 FTE to capital)	27,500		
Streets (1 FTE & supplies)	70,000		
Finance (.5 FTE)	<u>25,000</u>		
	\$201,100		

City Manager Olander then presented the following option to replace the above listed reduction to the Police department:

Eliminate departmental transfers to Facilities Repair Account	\$55,000
Cut City Hall reception position (1 FTE)	45,000
Utilize remaining general funds that go to MCI	100,000
Utilize revenue stabilization funds	<u>100,000</u>
	\$300,000

Upon questioning, Park and Recreation Director Thorell clarified that the proposed cuts in the Park and Recreation department would most likely result in the loss of the \$80,000 projected revenue increase.

Continued Discussion, Draft Ordinance No. 99-244 [Assigned Ord. No.1250] Marina Rates

City Attorney McLean proposed the following revisions to Draft Ordinance No. 99-244:

Section 1 – No change proposed.

Section 2 – For tenants who are bona fide residents of the City of Des Moines, the baseline for rates for general moorage berths and dry shed storage shall be as reflected on Appendix “A”, which is incorporated herein by this reference.

Section 3 - For tenants who are not residents of the City of Des Moines, the baseline for rates for general moorage berths and dry shed storage shall be as reflected on Appendix “B”, which is incorporated herein by this reference.

Section 4 – Determinations with regard to residency shall be made by the Harbormaster. Such determinations shall be deemed an Administrative Decision and is subject to appeal to the Hearing Examiner according to the procedures outlined in DMMC 18.94.

Section 5 – Commercial and liveaboard berth rates shall be twenty percent (20%) greater than the applicable rate for general moorage berths. Notwithstanding the preceding provisions, the City Council reserves the authority to set or alter such rates by resolution

at any time, provided the resolution is adopted thirty days prior to the effective date of any new rates.

Section 6 – Former Section 3.

Section 7 – Former Section 4.

Harbormaster Dusenbury displayed and described the proposed resident rate schedule (Appendix A) and non-resident rate schedule (Appendix B).

MOTION was made by Councilmember Sheckler and seconded by Mayor Pro Tem Brazil to adopt Draft Ordinance 99-244 as proposed.

VOTE ON MOTION: Motion passed, 4 – 3, with Councilmembers Kaplan, Towe, and Wasson opposed.

Continued Discussion, Draft Ordinance No. 99-245 Year 2000 Budget

Mayor Thomasson reviewed the projected revenues.

Councilmember Sherman felt that a \$384,540 cut in arterial streets would eventually result in increased costs to the city. He recommended that additional cuts be applied to other departments and that the arterial street budget be increased.

Councilmember Towe suggested that Council utilize more of the revenue stabilization fund for basic infrastructure needs. He felt that the current financial situation of the city qualified as a type of situation for which the fund was originally developed to address.

Councilmember Kaplan cautioned Council on utilizing emergency funds to finance ongoing programs. He proposed that Council review the Capital Improvement Plan for budget reductions.

Councilmember Sheckler stated that he was comfortable with utilizing a maximum of one third of the city's emergency funds. He also felt that funding of the arterial street program could be delayed for a few years.

Councilmember Wasson voiced support for Councilmember Towe's comments.

Councilmember Sherman urged Council to not utilize reserve funds as the funds would not be sustained. He said that he did not expect the State to provide any funding assistance to the City.

Mayor Thomasson said that he preferred to use the reserve funds as little as possible but that he could be comfortable using a maximum of one third of the money.

Councilmember Kaplan suggested that a reduction in reserve funds could negatively impact the city's bond rating.

Councilmember Sheckler suggested that \$50,000 from the Haunted House fund be utilized for Human Services funding and an additional \$5,400 of the fund be allocated to the Historical Society. He felt that the Haunted House fund was a renewable resource for the city as long as the Haunted House event was conducted.

Council discussed financing the survey from the Haunted House fund also and concurred that the survey should be cut from the budget.

Upon questioning, City Manager Olander explained that the proposed personnel impacts were envisioned to be effective July 1, 2000.

Councilmember Wasson stated his belief that no money should be taken from the Haunted House fund for other uses until the Police department cuts were eliminated.

At 9:10 p.m., Mayor Thomasson declared a fifteen minute break.

Mayor Thomasson obtained general consensus from Council to accept administration's alternative recommendation listed above in place of the reductions to police services.

In order to address the remaining \$100,000 shortfall, City Manager Olander suggested that Council eliminate one CSO position, transfer \$30,000 of the Public Works Director's salary to Capital, and utilize \$20,000 from unidentified revenue sources to balance the budget.

Councilmember Sherman said that the loss of a CSO would still keep the city close to its desired ratio of one officer per 680 residents.

Councilmember Wasson suggested that additional money be taken from the Haunted House Fund to finance the CSO position.

Council discussed funding a CSO position through Haunted House funds.

Mayor Thomasson said that he was comfortable with using Haunted House funds to finance Human Services but felt that Council should not balance the budget with one time money.

Councilmember Kaplan said he was willing to use the Haunted House fund for one year but expressed concern with maintaining a large enough balance in the fund to keep the building operational and the fund in existence.

Councilmembers Wasson, Towe, and Sheckler voiced support for funding the CSO position with Haunted House funds.

Mayor Thomasson and Councilmember Kaplan advised Council to eliminate the position now as utilizing a one time funding source would only stall the outcome.

Mayor Pro Tem Brazil and Councilmember Sherman were willing to eliminate the position or finance it through the Haunted House fund.

Councilmembers Sheckler, Sherman, Towe, and Wasson voiced general support for utilizing Haunted House funds for funding Human Services and the Historical Society.

MOTION was made by Councilmember Kaplan and seconded by Councilmember Wasson to direct administration to draft an ordinance delaying the effective date of Council's final pay increase two years.

Given the city's current financial climate, Councilmember Towe voiced support for the motion.

MOTION was made by Mayor Pro Tem Brazil to eliminate the 36 meeting restriction from the ordinance. Motion died for lack of a second.

VOTE ON MOTION: Motion passed, 5 – 2, with Mayor Pro Tem Brazil and Councilmember Sheckler opposed.

City Manager Olander explained that the proposed cuts also reduced Council's travel budget by \$12,000.

Councilmember Sherman stated that he would support the cut as long as rules were established detailing how the travel money was to be spent.

NEXT MEETING DATE

Mayor Thomasson announced that there would be a special meeting on Wednesday, December 8, 1999.

Executive Session

Mayor Thomasson announced that the Council would go into Executive Session to discuss litigation matters.

Councilmember Sheckler left the meeting.

ADJOURNMENT

The regular meeting adjourned at 10:11 p.m. and Council went into Executive Session.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk