

SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES

November 29, 2004

The special meeting of the Des Moines City Council was called to order at 7:35 p.m. by Mayor Sheckler in the Council Chambers, 21630 11th Avenue South, Suite B.

PLEDGE OF ALLEGIANCE to the Flag was led by Councilmember Petersen.

ROLL CALL - Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Richard Benjamin (arrived at 7:40 p.m.), Gary Petersen, Dan Sherman, Maggie Steenrod and Susan White. Also in attendance were City Manager Tony Piasecki, Assistant City Attorney Richard Brown, Finance Director Paula Henderson, Assistant City Engineer, Maiya Andrews, Assistant City Engineer Loren Reinhold and City Clerk Denis Staab.

DISCUSSION ITEMS

Draft Ordinance No. 04-217C - Establishing B & O Tax - 1st Reading

Mayor Sheckler noted discussion is continuing from the November 23rd meeting and a motion is on the table to add a sunset clause of four years. He questioned whether there was a second to the motion that was made by Councilmember Sherman.

MOTION was seconded by Councilmember White.

Councilmember Sherman felt that instead of a permanent tax it should sunset after four years unless there is affirmative action on the part of the Council to continue. He felt four years would be enough time for economics of the City to improve.

Mayor Pro Tem Thomasson advised that he will vote against a sunset clause. He noted that a future Council can repeal the tax if appropriate. He further noted that the tax will be subject to a referendum.

Upon questioning by Council, Finance Director Henderson noted that she cannot specify the amount that might be collected as the original analysis was done by the former Interim Finance Director. She also advised that the State B & O varies based on the type of business.

[7:40 p.m. Councilmember Benjamin arrived]

Councilmember Steenrod advised that she does not like such an emergency action as a B & O tax for short term cure. She offered a Friendly amendment to change the sunset clause to 2 years as she feels this tax will hurt businesses.

Councilmember Sherman declined to accept the Friendly Amendment. He noted that we are not sure of the exact dollar figure and we have already gone above the State figure of \$20,000 to \$50,000. He felt it is important to proceed to raise revenue for the City.

Councilmember White agreed with Councilmember Sherman. She feels that hard decisions are necessary right now and we must all pull together.

Councilmember Petersen expressed concerns, not just for new businesses starting up, but for existing businesses. He felt four years is too long to impose a B & O Tax and if the opportunity comes up most businesses will move. He urged a sunset in two years.

City Manager Piasecki reminded Council that the City is still short of revenue in the amount of \$965,000. He reviewed the Budget Balancing Strategies and reminded Council that they still will have an opportunity to review the proposed false alarm ordinance.

MOTION was made by Mayor Sheckler, seconded by Councilmember Steenrod to table discussion on this item until later tonight or at the latest, the Thursday meeting on December 2nd. Motion passed 5 to 2 with Councilmembers Benjamin and Sherman opposed.

Draft Resolution No. 04-251 - 2005-2010 CIP

It was noted that Council is in the process of reviewing the Municipal Capital Improvements.

Parks and Recreation Director Thorell proceeded to review items related to the Parks, Recreation and Senior Services Divisions as follows:

Des Moines Activity Center

- Pathways, landscaping, parking lot lighting, walkway to S. 216th and street frontage improvements

Mayor Pro Tem Thomasson questioned whether with the additional lighting, that power costs should be covered. Parks and Recreation Director Thorell noted that there is a cost of approximately \$7 a light, which comes out of the general fund budget.

Des Moines Beach Park Rehabilitation

- For 2005 - Auditorium: fire suppression, ADA restroom, utility upgrades, exterior drainage/hillside, heating/cooling, emergency lighting.
- For 2006 & 2007 - Dining Hall
- For 2007 - Picnic Shelter/Fireplace
- For 2007 - Sun Home Lodge
- For 2008 - Restroom/Workshop Building
- For 2008 - Caretaker's Cabin

Mayor Pro Tem Thomasson stated that he is uncomfortable having all the Beach Park projects listed on one page. He would prefer in the future, that they be listed building by building as he feels Council will need to prioritize which projects go forward, if there are funds available. He expressed concerns on the revenue side, over listed transfers from the General Fund from 2005 through future years. He questioned how Council can design a sustainable budget that will make ends meet year after year, and in creating this Council has moved the General Fund transfer to \$150,000, not \$300,000. He further noted that the City Manager is proposing taking it back more. In other words, there will not be enough revenue to do all the projects. He also noted that if each building is listed separately, operating costs can also be included, such as phone lines, fire suppression monitoring costs, heating, etc.

Councilmember White felt that the auditorium is in pretty good shape and it would be feasible that this could bring revenue into the City by having a Saturday market by next summer, concerts or rented out. She noted that she is actively seeking outside funding to help in the restoration of the Beach Park Buildings.

Community Development Director Thorell advised that some of the progress in restoring buildings will depend on the progress of the creek area north of the Beach Park, in particular she noted the Dinning Hall, which will take at least four years.

Councilmember Sherman stated that his main concern for now is the projects set for 2005, as he feels the future is more of a wish list and some of them may not be accomplished.

Upon questioning by Councilmember Benjamin, Parks and Recreation Director Thorell advised that the Auditorium has not been damaged by Beach Park flooding as it is on higher ground. However she noted that there are proposed drainage improvements to the hill side near the building, as the parking areas can flood out. She pointed out that the structure is covered by the City's insurance provider, Washington Cities Insurance Authority.

Councilmember Benjamin questioned what assurances there are that it is a good investment in the Auditorium repairs and that it will not be washed out during the next 100 year storm. He felt that expenditures should be put-off until flooding and drainage problems are corrected.

Assistant City Engineer Reinhold informed Council that the Des Moines Creek Basin Plan calls for the detention facility to be completed in 2006. Furthermore, the high flow by-pass pipe, and the Marine View Drive Bridge project, are also scheduled to be completed in 2006.

City Manager Piasecki reminded Council that the auditorium is above the flood plain and has not been damaged by previous flooding and that is one of the reasons this project is placed ahead of the other facilities at the Beach Park.

Mayor Pro Tem Thomasson expressed the opinion that Council must look at the full 6 years of the CIP and that looking at the years 2006 through 2010 as a wish list, is not the way to approach this issue. He felt it is important to look at the revenue for the full six years as Council has not determined what the City can afford.

Parks and Recreation Director Thorell continued to review the following projects:

Midway Park

Steven J. Underwood Memorial Park

Des Moines Field House Renovation

Park & Playground Repair & Replacement

Cecil Powell, Parkside, Wooton, Kiddie and Zenith Parks

Community Center - No funding source at this time

Des Moines Creek Trail

Mayor Pro Tem Thomasson commented that the message did not get to the CIP that the City is struggling with a budget shortfall and therefore, it cannot be business as usual. He felt that the items regarding playground rehabilitation for all the Parks that will be closed needs to be removed. He also felt the 2nd phase for the soccer fields at SJU Memorial Park should be removed, especially if Zenith Park is closed which already has functioning soccer fields, he cannot see spending money to build a new one. He expressed serious concerns in regards to the Beach Park funding and until the flooding issue is solved, the City should not be investing funds in the various projects. He further requested answers to the FEMA issues at the Beach Park and noted that the in-lieu of Park fees are below estimates. He felt that Council needs to balance

needs versus wants and that parks are less urgent than transportation, and Council needs to prioritize where the money goes.

Parks and Recreation Director Thorell advised that the in-lieu of Park fees will be bolstered once a late payment of approximately \$79,000 is received from the Cedarbrook development. In regards to FEMA she advised that she has met with those officials extensively and informed Council that there is different criteria for different facilities. She noted that historic buildings can be remodeled and repaired, including lifting, especially those that are on numerous registries.

MOTION was made by Councilmember Sherman, seconded by Mayor Pro Tem Thomasson, to eliminate fiscal year 2007 SJU Memorial Park Soccer Field, any playground repair and replacement for any parks, except the Field House and Wooton Park, and the Community Center.

Councilmember Steenrod stated that she felt that the soccer fields at SJU Memorial Park will be a big draw and add to economic development by increasing revenues to the City. She would rather see the project pushed back, but not eliminated.

Councilmembers Sherman and White commented that projects can be added back in the CIP if revenues become available.

Mayor Pro Tem Thomasson expressed agreement with Councilmember Sherman and noted that he would work hard to save the existing soccer facilities at Zenith Park.

Councilmember Benjamin commented that there are areas in the City that need parks more than others. He expressed hope that neighborhoods will pull together and help with some of the parks.

VOTE ON MOTION: Motion passed unanimously.

9:02 p.m. Mayor Sheckler called for a 10 minute break.

Continued Discussion on CIP

MOTION was made by Mayor Pro Tem Thomasson, seconded by Councilmember Petersen, that the Des Moines Beach Park Rehabilitation projects be split into their respective buildings and at a minimum, they all be delayed one calendar year.

Mayor Pro Tem Thomasson felt this would allow Council to have a conversation concerning the Consultants report and which projects have merit and which do not.

Councilmember White felt that if the auditorium were available now, the Federal Way Symphony would be interested in performing there, perhaps theater productions, and felt a Saturday market would work well at this site. This should be viewed as a method to attract revenue.

Councilmember Sherman noted that Councilmember White has already been successful in obtaining some funding for the Beach Park and perhaps that will free up some of the REET money. He noted that he is satisfied that the auditorium is safe from flooding and feels that the historic preservation of the Beach Park will help with economic development.

Upon questioning by Councilmember Benjamin, City Manager Piasecki replied that in regards to guaranteeing whether the funds that Councilmember White obtained can be guaranteed to be applied to the auditorium, that as yet the City has not been given the specifics on how the funds will work and what or what they may not be used for.

Councilmember Benjamin suggested a friendly amendment to make the auditorium an exception, if the federal funding can be earmarked for that project, and that there is no danger of flooding. After comments from the Parks and Recreation Director that she can not guarantee the federal funds will be available for the auditorium, he removed his proposal.

Mayor Pro Tem Thomasson spoke in support of delaying the projects for one year, as Council has not finished review of the CIP to see what other projects may have a higher priority. He noted the auditorium is a great project, but the City cannot afford it at this time.

After further discussion, Councilmember Sherman CALLED FOR THE QUESTION. Seconded by Mayor Sheckler and passed 5 to 2 with Mayor Pro Thomasson and Councilmember Benjamin opposed.

VOTE ON MAIN MOTION: Motion failed 4 to 3 with Councilmembers Sherman, Steenrod and White and Mayor Sheckler opposed.

City Manager Piasecki proceeded with review of the CIP with the following items:

City Hall North Wing - Upgrade of HVAC Council Chambers & Renovations

- Engineers estimate came in underneath budget, use excess for carpet replacement

Onsite Records Storage

- Propose moving out a couple of years until finances improve

City Hall Parking Lot

- Has been put off several years, needs to be done soon as parts of the lot are cracking

MOTION was made by Councilmember Sherman, seconded by Councilmember Steenrod, to eliminate the Onsite Records Storage item. Motion passed unanimously.

MOTION was made by Mayor Pro Tem Thomasson, seconded by Councilmember Benjamin, that the transfer from the General Fund be changed to reflect the \$150,000 a year that was programmed on the operating side of the Budget. Motion passed unanimously.

MOTION was made by Councilmember Steenrod to postpone the Activity Center remodel that is scheduled for 2005 in the amount \$89,027, be pushed to the year 2006, and apply those funds to the auditorium project. MOTION DIED for lack of a second.

At this point Assistant City Engineer Reinhold began review of SWM projects, including the following:

Marine View Drive Bridge Project

- Design is completed

Des Moines Creek Basin Project

Barnes Creek Project

- Start design in 2005, construction in 2006

Woodmont Culvert

240th Outfall Project

- Fairly urgent due to landslide earlier this year, proceed with design
Barnes Creek Detention Facility
- Need to apply for Trust Fund Loan, construction for 2006
Massey Creek Channel Modifications
199th North Hill Trunk Line

Mayor Pro Tem Thomasson noted that several of the projects have a Trust Fund Loan keyed in and he felt that this is rather a major policy shift in funding, instead of only doing projects when cash was available. He advised that there are a couple of new projects, 199th North Hill Trunk Line and the North Hill, NE Trunk line, and he does not recall seeing a basin plan for that area, or any written justification for these projects. He stated that he is hesitant to put these projects on the project list.

Assistant City Engineer Reinhold advised that the 199th project has been on the CIP for some time and in fact, the design is finished and it is tied in with the NE Trunk Line project. He noted that Normandy Park has completed a detailed basin plan for Normandy Creek and these two projects are within that basin, and Des Moines' side is included in their Plan.

Upon questioning, City Manager Piasecki responded that a Rate Study by the City's consultants is expected to be ready to go to Council Committee for review and recommendations in the Spring of 2005. The Study will look at the City's capital needs for SWM and may include a few more items than currently listed, and will include an analysis of the issue of floating debt. If Council chooses not to utilize floating debt it may require raising SWM rates.

Mayor Pro Tem Thomasson felt part of the problem is that the City has not done studies of all the basins to know for sure what the full list of projects are, so that Council can prioritize them. He noted he would prefer to pay cash rather than to make loan payments.

At this point, Assistant City Engineer Andrews began a review of the Transportation portion of the CIP. She reviewed the following:

Arterial Street Projects

- Pacific Highway South - Almost complete
- Wesley Pedestrian Signal - Under design
- S 216/24th Ave. So. Signal - Port of Seattle still holding progress up
- Neighborhood Traffic Control Program
- 16th/Kent Des Moines Road - Pushed out as undergrounding expected to run about a million and a half dollars. Checking to see if unused funds from the Pac. Hwy. S. project can be transferred to this project.

Councilmember Benjamin noted that some time back Council determined that undergrounding was desirable on 16th Avenue, however perhaps Council should take another look due to the expense.

MOTION was made by Councilmember Benjamin, seconded by Councilmember Steenrod, for staff to put back overhead utilities, between South 260th to South 272nd.

Assistant City Engineer Andrews informed Council that funds from Traffic Impact Fees will not go into effect until July 1, 2005, and there still is a potential funding gap for this project.

Councilmember Sherman commented that there are other good reasons to underground than just aesthetics. He felt the safety of the utilities is important and delaying undergrounding will make the costs prohibitive once the other work is done. He noted that Council's policy has been to use one time monies to fund critical projects.

Mayor Pro Tem Thomasson stated that he would not want to down size this project and arguments for undergrounding in the first place are still valid. He felt that there are other financing methods available other than a Public Works Trust Fund loan.

VOTE ON MOTION: Motion failed 5 to 2 with Councilmembers Benjamin and Steenrod in favor.

10:24 p.m. **MOTION** was made by Councilmember Sherman, seconded by Mayor Sheckler, to extend the meeting to 11:00 p.m. Motion failed 5 to 2 with Councilmember Sherman and Mayor Sheckler in favor.

10:25 p.m. **MOTION** was made by Councilmember Benjamin to adjourn. Motion died for lack of a second.

Councilmember Sherman voiced the opinion that he is not willing to make sacrifices in Arterial Streets.

NEXT MEETING DATE - Study Session December 2, 2004

Mayor Sheckler noted that the next meeting will be a study session on December 2, 2004, at 7:00 p.m.

ADJOURNMENT

As time had expired, meeting was adjourned at 10:30 p.m.

Respectfully submitted,

Denis Staab
City Clerk