

PRELIMINARY
REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

January 16, 2003

The regular meeting of the Des Moines City Council was called to order at 7:33 p.m. by Mayor Wasson in the City Council Chambers, 21630 11th Avenue South

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

ROLL CALL – Present: Mayor Don Wasson, Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Bob Sheckler, Maggie Steenrod and Scott Thomasson. Absent: Councilmember Susan White. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Assistant City Attorney Richard Brown, Community Development Director Judith Kilgore, Land Use Planner II Celeste Carlson and City Clerk Denis Staab.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Sheckler and passed unanimously, to excuse Councilmember White.

Mayor's Statement

Mayor Wasson read the following statement into the record:

“The Public Disclosure Commission issued a Notice of Administrative Charges to me earlier this week (on January 14). The Notice identifies four possible violations of campaign laws relating to my participation in the 2001 Des Moines City Council election.

The charges are completely unfounded and many of the alleged facts are false.

I will vigorously defend this case and expect that the PDC will dismiss these charges after a full hearing is held.

The details of these charges are public record. You can be sure that they will soon be discussed in the local press. When you read those accounts, remember that they will not include the whole story and may even be taken out of context. Remember, too, that the mere repetition of something that is false does not make it true.

I ask you to bear that in mind over the next few weeks and keep an open mind about the truth of this situation.

In the meantime, I want to assure you that I will continue to do my best job as your Mayor.

None of my fellow Councilmembers did anything wrong and should not be implicated in this event.”

COMMENTS FROM THE PUBLIC

Al Furney, 24718 Marine View Drive South

Mr. Furney read the definition of the word “bribery” from Blacks Law Dictionary. Mr. Furney presented the City Clerk with a photocopy of a check made out to Don Wasson from Environmental Materials Transport, LLC and signed by Henry Hopkins and asked that copies of the check be made available to Councilmembers.

Ed Pina, 24217 7th Avenue South

Mr. Pina reported that he is befuddled by four of the Councilmembers taking actions that are counter to what they said during campaigning. He advised that he read the Public Disclosure Commission’s reports. He felt that on at least two recorded occasions Mayor Wasson lied under oath. The report stated that the new Councilmembers were supported by Wasson donations over almost \$50,000 in different kinds of campaign support. He accused the four Councilmembers of trying to maintain the airport so that Wescot can come in and build. He stated that he is disgusted and if he were one of those Councilmembers, he would resign.

Dan Sherman, 22530 8th Avenue South

Mr. Sherman noted that he was last in the Chambers as a Councilmember in November 2001. He stated that he reported at that time what he believed to be campaign fraud and told the public they had a right to know who paid for a candidate before they voted. He noted that the Public Disclosure Commission has just completed a report documenting secret payments of \$50,000 to Councilmembers Benjamin, Petersen and Steenrod, with Don Wasson as the leader. He felt these payments were secret because if the public knew that the person trying to build a conveyor belt for the construction of the third runway was the person who made these payments, they would never get elected. He further noted that the “paid for Councilmembers” have supported the construction of the 3rd runway so that Mr. Hopkins can make his money back with his conveyor belt, whether he builds it here in Des Moines or somewhere else. Mr. Sherman encouraged citizens to get involved with a group called “Citizens for Des Moines” or the “Des Moines, Yes, Recall Effort” to restore ethical and honest government to Des Moines.

Brett Fish, 801 SW 168th

Mr. Fish advised that he is here regarding the item on tonight’s agenda concerning amending Council Rule 36, videotaping of Council meetings. He informed Council that the best place to video tape is in the front corner of the room where he has always filmed. He reported that filming from the back of the room provides terrible audio and requested that before any such rule change be made, that the proper equipment be provided to allow both the video and audio recordings be of quality.

Don Riecks, 21221 5th Avenue South

Mr. Riecks noted that he is tired of citizens from outside the City, telling Council how to run Des Moines. He noted that he is concerned about his taxes. He stated that he is in favor of citizens putting their private funds into any organization of their choosing, but feels that fighting the 3rd runway is a waste of the \$5 million dollars spent so far. He spoke against placing a issue on the ballot questioning whether or not to fund the fight against the 3rd runway because of the high cost, around \$44,000 for a special election. He encouraged Council to stop wasting his taxes and ignore people telling them how to spend the City’s funds.

BOARD & COMMITTEE REPORTS

Public Disclosure Commission (PDC) Report

Councilmember Sheckler reported that he spent a good part of the day reading portions of the 250-300 page report put out by the PDC today. He stated that he is appalled and proceeded to read an excerpt of the findings of the report into the record. (ED NOTE: At Councilmember Sheckler's request the excerpt read is attached to these minutes as part of the record.)

Councilmember Sheckler voiced the opinion that he felt something was wrong with the amount of funds being spent during the campaign. He expressed disappointment with the Mayor for going to the Port and trying to get a dialogue going. He stated that it appears to him, that in exchange for Mr. Hopkins support, Mr. Wasson would do anything to become Mayor. He advised that there will be a hearing before the PDC on January 28th and he will reserve final comments until then. He also noted that he is not sure that Councilmembers Petersen, Benjamin or Steenrod knew where the campaign funds were coming from, in particular Ms. Steenrod.

Tax Dollars

Councilmember Thomasson spoke about the accusation of wasting tax dollars on fighting the 3rd runway, stating that had the City not spent the money fighting the Port, the Port would not have started mitigating the problems from the 2nd runway such as sound insulation of homes and finally settling with noise impacted schools. He felt this proves that the tax payers did receive benefits and encouraged everyone to do the research and question whether the Port would have instituted these programs without the pressure from fighting the 3rd runway.

PDC Report

In regards to the excerpt of the PDC report, Mayor Pro Tem Benjamin stated that he does not believe the report indicates that Councilmembers knew anything and this should not lead to false assumptions. He noted that PDC will hear the case and make a ruling. He felt that Councilmember Sheckler's accusations are irresponsible and that he is falsely accusing someone who is innocent until proven guilty. He felt that there probably is another side to this case as there always is. He advised that until a final report is made by PDC, he will not make any more comments.

PDC Report

Councilmember Petersen stated that while he was unaware of this report, he knew that PDC was looking into things. He noted that he did receive a few telephone calls regarding his PDC report. He stated that the report he filed is honest and above board, that he supported his own campaign, and the record stands for itself. He advised that he has a hard time believing what Councilmember Sheckler read. He concluded that he feels very comfortable and that he did nothing wrong.

Councilmember Sheckler stated once again, that the report does not state that Councilmembers Petersen, Benjamin or Steenrod did anything wrong.

PDC Report

Councilmember Steenrod advised that this is the first she has learned about the PDC report. She noted that she is upset over Councilmember Sheckler reading into the record a preliminary report, as it is like being tried without having a chance to respond. She stated it will be very difficult to do any Council business this evening and would like to put aside items until next

week. She concluded by stating that she ran for Council because watching meetings as a citizen she was not satisfied with how City business was being done. She requested that everyone keep an open mind and let the PDC hearings proceed before making any final judgment. She requested that those business items that need to be moved to next week be taken care of and the meeting be adjourned.

MOTION was made by Councilmember Steenrod, seconded by Councilmember Thomasson, to move New Business Items 1, 2, 3, 5 and 6 to a future agenda and to place New Business Items 4, 7, 8 and 9 on the January 30th Agenda, and to adjourn the meeting. Motion failed 3 to 3 with Councilmembers Petersen and Sheckler and Mayor Pro Tem Benjamin voting NO.

RECONSIDERATION OF VOTE: Councilmember Sheckler stated that he wished to change his vote.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Sheckler, to place New Business Items 4, 7, 8 and 9 on the January 30th Agenda. Motion passed 5 to 1 with Mayor Pro Tem Benjamin voting NO. [ED NOTE: New Business Items 1, 2, 3, 5 & 6 are moved to the next regular meeting of January 23, 2003, per Council Rule 20(3)(p).]

MOTION was made at 8:25 p.m. by Councilmember Thomasson, seconded by Councilmember Steenrod, to adjourn. Motion passed 5 to 1 with Mayor Pro Tem Benjamin voting NO.

Respectfully submitted,

Denis Staab
City Clerk

ATTACHMENT TO CITY COUNCIL MINUTES

January 16, 2003

IV. FACTS

1. By way of background, for many years, officials at the Port of Seattle have proposed constructing a third runway at Seattle-Tacoma International Airport. Port officials determined that prior to constructing a third runway, more than 17 million cubic yards of fill must be brought to the site. Since 1993, the City of Des Moines has opposed further expansion of the airport. In 1997, the WESCOT Company (owned by Mr. Hopkins) first proposed building a conveyor system that would be used to move the necessary fill to build the runway. WESCOT Company officials suggested that the conveyor system be used instead of trucks to transport the fill required for the proposed new runway. Prior to the 2001 elections, the Council opposed the WESCOT Company's plan.

2. During his interview, Mr. Wasson stated that, for the years he served on the Council, he found himself at odds with the majority of the Council. A political consultant, Tom Hujar, stated during his interview that Mr. Wasson told him he was tired of always being on the losing end of 6 to 1 Council votes and that during the 2001 election he wanted to work for candidates who would support him in trying to change the policies of the City of Des Moines. According to Mr. Hujar, Mr. Wasson recruited some Council candidates and wanted those candidates to win in the hopes of becoming Mayor of Des Moines.

3. Mr. Wasson admitted that he encouraged and urged Petersen and Steenrod to run for the Council in 2001. He stated that he did not know Benjamin prior to the campaign, but decided to support him in the election. The candidates Mr. Wasson encouraged to run for the Council were business people in the Des Moines area.

4. In mid-September 2001, Mr. Wasson met with Mr. Hopkins to discuss who was running for the Council. Mr. Wasson advised Mr. Hopkins that there were new candidates running for the Council. Mr. Hopkins admitted that for many years he had been trying to get his company's third runway project acknowledged and approved by the Council. Based on his failures so far, he was interested in seeing new Council members elected. Mr. Hopkins said he understood Mr. Wasson to be suggesting that the new candidates might have a new philosophy from previous Councils, and that if the candidates had some help, perhaps that group might have a chance to be elected. Mr. Hopkins stated that he did not agree to support specific candidates, but did respond to what he considered to be Mr. Wasson's request or suggestion that Mr. Hopkins support Mr. Wasson and his efforts to get new people elected to the Council.

5. **On September 17, 2001, Mr. Hopkins** gave Mr. Wasson a \$1,000 check from Environmental Materials Transport, LLC to assist Mr. Wasson's efforts to help the new group of Council candidates get elected. Mr. Wasson deposited the check into his personal bank account. During the investigation, Mr. Wasson initially denied accepting any money from Mr. Hopkins. However, when shown a copy of the \$1,000 check from Mr. Hopkins endorsed by Mr. Wasson, Mr. Wasson acknowledged that he did, in fact, receive the check. Mr. Wasson acknowledged that the \$1,000 may have been used to pay for political consulting services.

6. Also in September 2001, Mr. Wasson met with Tom Hujar, a political consultant recommended to him by Mr. Hopkins. They discussed how Mr. Hujar could provide campaign assistance for Peterson, Benjamin, Steenrod and Foote. Mr. Wasson told Mr. Hujar that he had very limited money to put into the races, about \$2,000. Mr. Hujar told Mr. Wasson that he could

provide only limited verbal advice and strategy for \$2,000. Mr. Hujar agreed to assess the candidates and advise Mr. Wasson on where any campaign money should be spent.

7. In late September 2001, Mr. Hujar met with Mr. Hopkins and Mr. Wasson to discuss the Council elections. Prior to committing any more money to the elections, Mr. Hopkins requested that Mr. Hujar conduct a survey to determine the prevailing attitude of local citizens on the third runway concept and to determine whether to support Mr. Wasson's efforts. Mr. Hujar agreed to conduct the survey, and at Mr. Hopkins' request, included questions about the candidates running for the Council. The survey showed that 60 percent of the voters were undecided as to the candidates. Based on the survey results and Mr. Hujar's feeling that the races were winnable, Mr. Hopkins contributed \$20,000 to "Mr. Wasson's efforts," which he paid directly to Mr. Hujar. Mr. Hopkins, Mr. Hujar and Mr. Wasson all understood that Mr. Wasson would be directing how the money would be spent during the campaign.

8. Mr. Hujar stated that Mr. Wasson initially paid him \$2,000 to provide limited verbal advice and campaign strategy. Mr. Hujar claims he received \$1,000 in late September as a partial payment for his consulting services, and an additional \$1,000 in late October. No evidence has been discovered to date to show that Mr. Hujar received \$1,000 in late September. However, records show that Mr. Wasson paid Mr. Hujar \$1,000 on October 25, 2001 for consulting services benefiting candidates Petersen and Benjamin. At Mr. Wasson's direction, candidates Petersen and Benjamin reported their share of this \$1,000 as an in kind contribution from Mr. Wasson. In addition, candidates Petersen and Benjamin each reported receiving \$250 in paper as an in-kind contribution from Mr. Wasson. Mr. Wasson admitted to receiving \$500 in paper from Jerry Guite and giving the paper to benefit the campaigns of Petersen and Benjamin.

9. In October 2001, Mr. Hujar met with candidates Foote, Benjamin and Steenrod to discuss potential assistance for their campaigns. Ms. Steenrod declined any campaign assistance from Mr. Hujar.

10. Also, in October 2001, Mr. Hujar hired Mike Snyder to provide assistance to the candidates. Mr. Snyder met with Benjamin and Foote to discuss possible campaign assistance. Mr. Wasson decided that no assistance would be given to Foote. Mr. Hujar provided consulting services that benefited Petersen and Benjamin.

11. In October 2001, Mr. Wasson directed advocacy calls be made from the Hopkins contribution for candidates Petersen and Benjamin. Following statements made in the newsletter of the Regional Commission on Airport Affairs (RCAA), Mr. Wasson also ordered advocacy calls be made on behalf of Steenrod. None of the candidates affected approved the calls and were not even aware that the calls were being made on their behalf.

12. The general election was held on November 6, 2001. Candidates Petersen, Benjamin and Steenrod were all elected to the Council.

13. In total, Mr. Hopkins made seven separate payments to Mr. Hujar totaling \$49,000 for campaign related work, i.e, \$29,000 was for the survey and \$20,000 was for actual campaign work. None of the survey cost or other campaign work was reported by any candidate as a contribution.

14. Payments to Mr. Hujar totaling \$40,800 were made with cashier's checks, and one Hopkins corporate check was issued for \$8,200. The cashier's checks were purchased by Mr. Hopkins with funds of Environmental Materials Transport, LLC. The cashier's checks did not show the name of the purchaser. Gregory H. Hollon, an attorney responding to the complaint on behalf of Mr. Hopkins, stated that Environmental Materials Transport, LLC (EMT) was not listed on the cashier's checks as the purchaser because EMT was trying to keep a "low profile." Following is a listing of the payments made by Mr. Hopkins.

Date	Amount	Type	<u>Purchaser Notation on Check</u>
10/4/01	\$10,000	Cashier's Check	
10/12/01	\$ 9,500	Cashier's Check	Annon
10/12/01	\$ 9,500	Cashier's Check	Annon
10/25/01	\$ 6,000	Cashier's Check	NA
10/25/01	\$ 4,000	Cashier's Check	NA
11/29/01	\$ 1,800	Cashier's Check	Annon
12/10/01	\$ 8,200	EMT Check	EMT
Total	\$49,000		

15. Mr. Hujar stated that of the \$20,000 from Mr. Hopkins that he spent on the candidates, \$14,800 benefited Benjamin, \$3,500 benefited Peterson, and \$1,000 benefited Steenrod. The campaign services benefiting Benjamin, Petersen, and Steenrod, resulting from the \$20,000 paid by Mr. Hopkins, were provided within 21 days of the general election.

16. Mr. Hujar admits that he was familiar with PDC reporting requirements. He advised both Mr. Wasson and Mr. Hopkins that they had to make a decision about how to report the money being spent to support candidates. Mr. Wasson has been a candidate on several _occasions and was also familiar with reporting requirements. Mr. Hujar said he told Mr. Hopkins and Mr. Wasson that they needed to either set up a political committee and file reports or they needed to have the benefiting candidates report the receipt of in-kind contributions.

17. Mr. Hujar stated that after explaining the reporting options, Mr. Hopkins said he did not want to set up an independent campaign committee because of the publicity it would give to

the WESCOT Company. Mr. Hujar said Mr. Hopkins wanted nothing to do with registering and reporting as a political committee. Mr. Hujar said Mr. Wasson and Mr. Hopkins decided that the funds would be reported by the candidates as contributions from WESCOT Company. That did not happen because neither Mr. Wasson nor Mr. Hopkins notified the candidates of the need to report.

18. Mr. Wasson said Mr. Hopkins had lobbied the Council for several years about his conveyor project. Mr. Wasson said that reporting contributions as coming from Mr. Hopkins or his companies (WESCOT or Environmental Materials Transport, LLC) could have had an adverse impact on the election.