

REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

May 3, 2001

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

ROLL CALL - Present: Mayor Scott Thomasson, Mayor Pro Tem Bob Sheckler, Councilmembers Terry Brazil, Dave Kaplan, Dan Sherman, Gary Towe (arrived at 7:49 p.m.) and Don Wasson. Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, Community Development Director Judith Kilgore, Finance Director Scott McCarty, Budget Accountant Peggy Watson, Staff Accountants Janet Beeck and Carrie Noess, Accounts Payable Clerk Sharon Perkins, Payroll Clerk Bonnie Wilkins and City Clerk Denis Staab.

DISCUSSION ITEMS

Solid Waste Franchise Agreement With Sea Tac Disposal

Community Development Director Kilgore introduced representatives of Sea Tac Disposal Steve Caputo and Nels Johnson, who were present to help answer any questions. Ms. Kilgore proceeded to inform Council that at this point the proposed franchise agreement is still a working document as the audit is not completed and insurance issues have not been completely resolved. She advised that prior to preparing the agreement for final review and a public hearing, staff wishes to provide Council with this opportunity to review and suggest any revisions to the final draft to ensure that staff is following Council direction.

Upon questioning by Mayor Thomasson, Community Development Director Kilgore advised that the City, at least in the last 15 years, has not reviewed the issue of whether the City should be in the business of garbage collection.

Upon questioning by Mayor Pro Tem Sheckler, Mr. Caputo stated that the proposed rate schedule includes the price of rental of containers. He also advised that customers can request additional containers for recycling if they discover one is not enough.

Following further discussion, Council requested the following changes:

- *Page 4, G:* Needs clearer direction.
- *Page 9, 7.2 C:* Should read: "Two (2) single family households, condominium property managers and . . ."
- *Page 15, 17.1:* Clarify that only the "City Council" can extend the term of license.
- *Page 17, 21.1, A:* Should read "City Hall Campus".

Calling Council's attention to the Agenda Item cover sheet, Community Development Director commented on some of the important changes as follows:

- Condominiums will have an opportunity to participate in both the holiday and spring clean ups.
- Recyclable materials are greatly expanded.
- Rate adjustments are based on the IPD measurement. The City Manager has the authority to approve minor rate adjustments based on the IPD on an annual basis. Anything greater than that measurement would come before City Council.

Finance Department Overview

Finance Director McCarty displayed a chart of the structure of the Finance Department and advised Council that it is comprised of 6.55 full time employees.

Budget Accountant Watson reviewed the following items:

- *Completed Items*

Purchase of TaxTools

Utility and sales tax data analysis and forecasting

- *Upcoming Projects*

Business license to sales tax audit

Enhanced Community Outreach

- Budget in Brief

- Attend Neighborhood Meetings

- Articles in City Currents

Accountants Payable Clerk Perkins reviewed the following items:

- *Completed Projects*

Vendor Discounts amount to \$3,200

PSE paid electronically creating savings

Created major expenditure subsidiaries

- Jail, Dispatch and Utilities

- *Upcoming Projects*

Increase number of vendors paid electronically

Use of procurement cards, equals savings over numerous small bills

Senior Accounting Specialist Position - Finance Director McCarty reviewed the following:

- *Completed Projects*

Public Works fuel system monthly cost allocation

Gambling Tax Audits, resulted in income of \$240,000

Marina B & O tax analysis and process improvement

- *Upcoming Projects*

SWM to property tax audit

Mayor Thomasson requested particular attention be paid to the Port buy-out properties.

Vehicle Replacement Reserve analysis

Staff Accountants Beck and Noess reviewed the following:

- *Completed Projects*

- Started armored car service

- Installed electronic credit card machines

- timely grant reimbursements

- Monthly right-of-way billings

- Created an accounts receivable invoicing system

- Started using a Post Office Box for invoice payments

- Upcoming Projects

- Ability to receive payments electronically
- Large project administration for Pacific Highway South

Payroll Clerk Position - Finance Director McCarty review the following:

Completed Projects

- Employee 401-A retirement contributions made after each pay period and electronically remitted
- Enhanced value of employee Long-Term disability benefit by taxing premium rather than benefit
- Improved IRS reporting requirements-Group Term Life and tuition reimbursement
- Improved communication to employees as paycheck changes are made

Upcoming Projects

- Make vendor payments electronically
- Process payroll 100% in-house?
- Employee reimbursements via payroll rather than accounts payable

Finance Director McCarty reviewed the following:

Completed Projects

- Microflex relationship and audits
 - Sales Tax Audits = \$50,000 one time, \$15,000 annually
 - 5 Utility Tax Audits Complete = \$100,000 one time, \$25,000 annually
 - 7 Utility Tax Audits Pending = \$300,000 one time, \$75,000 annually
- Cash Management-Phase 1 (All excess money in LGIP)
- In 2000, interest earnings increased by \$250K to \$500K
- Audit Philosophy
 - Sales Tax Audits = \$35,000 one time, \$70,000 annually

Upcoming Projects

- King County assessment process with the City of Tukwila
- Upgrade financial software
- GASB Statement #34, new requirements consistent with all businesses
- Cash Management - Phase 2
- Popular Annual Financial Report

City Manager Olander commented the Finance Department as a lean staff, efficiently operated. He noted they are building a foundation to accurately forecast annual and long range revenues and expenses.

Finance Director McCarty thanked his staff for the high level of competency and dedication to their job.

ANNOUNCEMENTS

Suburban Cities Association

Councilmember Brazil reminded Council that the Association will be meeting next week in Burien. He encouraged Councilmembers to attend as new officers and board members will be elected.

Association of Washington Cities Conference

Councilmember Brazil advised that the Conference will be held in Bellevue this year, in June. He noted this is a great opportunity for Councilmembers to attend some of the valuable workshops being offered.

Governor's Appointment

Mayor Pro Tem Sheckler announced that even though Councilmember Brazil's term as President of the Suburban Cities Association is ending, he has been appointed by Governor Lock to a position on the Washington State Building Code Council effective January 2003.

NEXT MEETING DATE

Mayor Thomasson announced that the next regular meeting will be May 10, 2001.

ADJOURNMENT

The meeting was adjourned at 9:14 p.m.

Respectfully submitted,

Denis Staab
City Clerk