REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES May 18, 2000

The regular study session of the Des Moines City Council was called to order at 7:31 p.m. by Mayor Thomasson in the City Council Chambers, 21630 11th Avenue South, #B.

ROLL CALL - Present: Mayor Scott Thomasson, Mayor Pro Tem Bob Sheckler (left at 9:02 p.m. due to illness), Councilmembers Terry Brazil, Dave Kaplan, Dan Sherman, Gary Towe and Don Wasson. Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, Finance Director Scott McCarty, Park Manager Rick Still, Planning Manager Corbitt Loch and Deputy City Clerk Angela Chaufty.

DISCUSSION ITEMS

Port of Seattle Hearing

Mayor Thomasson announced that he had entered City of Des Moines' Resolution Nos. 881 and 882 into the record of the Port of Seattle public hearing regarding flight tracks.

IAC Youth Athletic Grant Agreement

Mayor Thomasson announced that the IAC Youth Athletic Grant Agreement was before Council again due to a parliamentary procedure error.

City Manager Olander stated that Council should resume discussion on the topic with no motion on the table.

MOTION was made by Mayor Thomasson and seconded by Councilmember Towe to approve Interagency Committee for Outdoor Recreation Youth Athletic Facility Grant Account Agreement #99-1221D for Sports Park Phase I Development Project and further to authorize the City Manager to sign the agreement substantially in the form as attached.

Councilmember Sherman briefly recounted the history of the project. He voiced his support for it when progress on the project did not result in increased costs to the residents. Noting that Council had raised taxes last November to meet pressing budget needs caused by the passage of Initiative 695, Councilmember Sherman voiced his concern with including Phase I of the Sports Park in the current budget.

City Manager Olander noted that optional dollars included in the capital plan had already been diverted away from the capital plan to the operational budget during the last budget process. The Sports Park project had been put on hold at that time and staff had been directed to attempt to identify supplemental funds. City Manager Olander displayed an overhead showing that 59% of the funds for the proposed project would be from third party sources while the remaining 41% would be gained from park-in-lieu fees and Municipal Capital Improvement funds. He noted that park-in-lieu fees are derived from new developments and specifically reserved for park construction, and the only revenues available in MCI are real estate excise taxes that can only be used for capital projects. City Manager Olander stated that the other projects identified in the capital improvement plan would continue as planned.

Upon questioning, Park Manager Still stated that Phase I of the project did not provide for the field lighting. He said that the fields would be available for unstructured play when they were not occupied by league play. Mr. Still noted that the scope of the project had been reduced to accommodate the available funding.

Councilmember Brazil voiced support for the project due to the city's need for parks and its level of donated funding.

Councilmember Sherman felt it was important to note that emergency tax increase dollars would not be used to fund the project.

Councilmember Wasson said that he would not support the project as he preferred the funds to be used for neighborhood parks instead.

City Manager Olander noted that the city had also partnered with local schools to provide youth athletic fields.

Councilmember Towe said that he felt the project was vital to the community as it provided a multigenerational and multifunctional facility for the City.

Councilmember Kaplan encouraged Council to delay the project for one or two years. He felt Council should explore more neighborhood park opportunities. Councilmember Kaplan said that he was uncomfortable allocating all available capital improvement monies to one project.

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

Pacific Ridge Transportation Plan, Impact Fees

Planning Manager Loch informed Council that the Draft Environmental Impact Statement for the project would be published next week. He introduced Rick Sepler from Madrona Planning and Larry Toedtli from The Transpo Group.

In regard to Pacific Ridge infrastructure issues, Mr. Sepler informed Council that the consultants were studying whether current infrastructure contained adequate capacity to facilitate growth in the area for a six-year and a twenty-year horizon. Through preliminary study, transportation and parks had been identified as deficient areas.

Mr. Toedtli displayed a map of the area. He explained that the primary transportation impacts would affect the immediate vicinity. He noted that the study had concluded that Pacific Highway South improvements would be sufficient to handle the transportation impacts provided access to the corridor was sufficient and 24th Avenue South, under its current land use, was developed to three lanes as identified in the Six Year Transportation Plan. Mr. Toedtli suggested that 24th Avenue South would need to be developed to five lanes if a considerable amount of development occurred in the area. Mr. Toedtli explained that the traffic model accounted for divergent traffic but primarily focused on intersection impacts.

Mr. Sepler informed Council that Sound Transit's Twenty-Year Plan did not include an extension of light rail past South 200th Street.

Mr. Toedtli then displayed an overhead of a conceptual through route to facilitate good circulation of traffic within the area. Mr. Toedtli encouraged Council to plan long-term to mitigate development impacts. He noted that Council could choose from a range of impact fee formula options. For example, the City could utilize Local Improvement Districts (LID) to mitigate the circulation system costs. Mr. Toedtli also noted that impacts fees could be determined by a formula that considered both total trip generation and frontage improvements.

Due to the high number of LID lawsuits, Mayor Thomasson said that he would like to have a cost-benefit study performed.

Mr. Sepler reported that Highline Water District had indicated that they had adequate capacity for the anticipated growth for the next six years. They also said that they would be able to handle the twenty-year developments with their currently proposed improvements. Mr. Sepler said that additional correspondence would seek to clarify the long-term water sources and capacity issues for the area. Mr. Sepler noted that a new pump sewer facility was also planned for the area.

At 9:02 p.m., Mayor Thomasson declared a ten minute break.

At 9:02 p.m., Councilmember Sheckler left the meeting due to illness.

<u>Financial Status Update of Operating Fund for 1999</u>

Finance Director McCarty provided Council with an overview of the expenditures and revenues for the General, Street and Park Fund for 1999. He noted that the projected expenditure amount had been increased due to the following unanticipated costs:

- Jail costs,
- Community Development overtime and professional services,
- Election costs,
- Utilities,
- Parks in lieu correction, and
- Interfund loan interest.

Finance Director McCarty noted that actual revenues had also been adjusted due to the increase in building fees, utility taxes, sales taxes, and franchise fees. He said that the actual figures resulted in a net activity of $762,810 for the year, an increase of $48,315 over the projected amount.

<u>Financial Status Update of Operating Funds for First Quarter, 2000</u>

While displaying Attachment 1 from the packet, Finance Director McCarty announced that the projections for City expenditures were accurate while revenues were slightly higher than anticipated. Siting increased building permit revenues as an example, Finance Director McCarty explained that the healthy economy was currently aiding the budget.

City Manager Olander stressed the importance of considering the revenue source while structuring the budget.

I-695 Supplemental Funding - Year 2000 Budget

While displaying an overhead, Finance Director McCarty explained that the two year impact of Initiative 695 to Des Moines was $4,253,000. As a result, he said that the State had allocated $720,945 for Year 2000 and $1,441,891 for Year 2001 to the city. He noted that the State had not adopted plans for any other future funding assistance for the City. Finance Director McCarty reviewed expenditure reductions and revenue sources utilized to address the immediate Initiative 695 affects.

Upon questioning, City Manager Olander explained that the city was responsible for jail costs associated with misdemeanors. In situations where the defendant could afford it, the judge would assess jail fees as part of the sentence.

Finance Director McCarty projected the General, Streets, and Parks budget ending balance for Year 2000 to be between $360,140 to $665,140.

Councilmember Sherman suggested that the Council discuss repealing the street light utility as he felt it was a regressive tax.

For Year 2001, Finance Director McCarty projected the General, Streets, and Parks budget ending balance to be between $771,451 to $1,001,451. In summary, Mr. McCarty presented the following Initiative 695 adjustments for the Year 2000 and 2001 budgets:

Net Loss	-$4,253,000
State Assistance	2,162,836
Council Revenue	1,900,000
Total Change	-$190,164

Finance Director McCarty emphasized that the projected increases in fund balances were primarily economy driven and not due to the state assistance. Therefore, he recommended that Council maintain its current course as it provided the most flexibility through increased reserves. He noted that Council could then approach the 2001 budget process with the intention of allocating the amount in excess of the reserve policy. For example, he said that the excess could be used to:

- Rollback moorage rates ($180,000)
- Rollback business license rates ($33,995, less apartment unit portion)
- Rollback 1% utility tax ($300,000)
- Rollback Street Light Utility ($196,000)
- Eliminate or reduce a 2001 property tax rate increase ($140,000)
- Reinstate the allocation for capital projects ($150,000)
- Payoff a portion of the Airport Defense loans
- Increase reserves in the Revenue Stabilization Fund

Councilmember Towe asked that staff obtain position statements regarding on-going State funding from the local legislators prior to continued Council discussion.

Councilmember Kaplan noted that the legislators still had not addressed funding for road construction. He said that if the State did not identify an on-going revenue replacement source then Council may need to make additional cuts to the expenditures.

Mayor Thomasson noted that one-third of the State's reserves were used to help the cities affected by Initiative 695.

Councilmembers Sherman, Kaplan and Wasson agreed that the street light utility should be placed on the next meeting's agenda.

Cable Franchise Agreement

City Manager Olander confirmed that Mayor Pro Tem Sheckler and Councilmembers Kaplan and Towe had volunteered to serve on an ad hoc committee concerning the cable franchise agreement.

NEXT MEETING DATE

Mayor Thomasson announced that the next regular meeting would be May 25, 2000.

ADJOURNMENT

The meeting adjourned at 10:30 p.m.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk