REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES June 27, 2002

The regular meeting of the Des Moines City Council was called to order at 7:30 p.m. by Mayor Wasson in the City Council Chambers, 21630 11th Avenue South, Suite B.

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

ROLL CALL - Present: Mayor Don Wasson, Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Bob Sheckler (left meeting at 8:47 p.m.), Maggie Steenrod, Scott Thomasson and Susan White. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Acting City Attorney Susan Sampson, Finance Director Dick Scott, Budget Accountant Peggy Watson, Community Development Director Judith Kilgore, Senior Planner Robert Ruth, Public Works Director Tim Heydon and City Clerk Denis Staab.

COMMENTS FROM THE PUBLIC

Steve Zielinski, Owner of Sound Vista Mobile Home Park, Des Moines

Mr. Zielinski thanked Council for addressing the 1992 ordinance which made Mobile Home Parks nonconforming uses, which is scheduled under New Business on this evenings agenda. He noted that for him to conduct his business, this issue must be resolved.

Tom Sitterley, 601 South 227th Street

Mr. Sitterley spoke in support of the Council establishing a budget and finance committee. He further suggested, in light of current and upcoming budget problems, that Council change their rules to require any finance items on the agenda must have two readings.

Wayne Bader, 21938 Marine View Drive

Mr. Bader commended Council for considering establishing a finance oversight committee to ensure City funds are spent wisely. He suggested Council should conduct an audit of the City's finances for the last 8 to 10 years.

Mr. Bader also commented that he felt the 4th of July fireworks show slated for the Des Moines Marina should be required to go through the same process as the Chamber of Commerce does for Waterland.

Robert Back, 23840 16th Lane South

Mr. Back addressed Council in opposition to moving comments from the public to the end of the agenda. However, if Council chooses to do this, he felt those speakers who wished to address an item on the Agenda should still be allowed to do so at the start of the meeting, or Council would not know the public's opinion until they had already taken action.

Mr. Back began to address an item on the agenda, Cedar Brook Town Home PUD - Design Review, and was ruled OUT OF ORDER by Mayor Wasson upon the advice of Acting City Attorney Sampson, as the Public Hearing has been closed.

AGENDA REVISION - New Business - Item #5 - Cedar Brook Town Home PUD - Design Review

It was noted that four Councilmembers had not participated in the Public Hearing process for this item. Acting City Attorney Sampson advised that if these four members wish to review the videos of the meetings regarding this subject, then they would be qualified to act on the matter.

MOTION was made by Councilmember Sheckler, seconded by Councilmember Thomasson, to table the matter until the July 11th Council meeting. Motion passed 6 to 1 with Councilmember White voting NO.

CONTINUED COMMENTS FROM THE PUBLIC

Jim Bartlemay, 23510 10th Avenue South

Mr. Bartlemay spoke against moving comments from the public to the end of the Agenda. He noted it penalizes those who wish to bring matters to Council's attention and is especially hard on Senior citizens and those who must be up earlier for work. He felt this would greatly reduce public input. He suggested Council start their meetings earlier.

Regarding establishing a Council finance committee, Mr. Bartlemay felt this would serve no purpose. He noted that all Councilmembers, along with the City Manager and Finance Director should be working together and reviewing finance issues as a whole.

BOARD & COMMITTEE REPORTS

Municipal Facilities Committee

Councilmember Steenrod noted that the Committee is working on the Marina Master Plan.

Councilmember Steenrod reported that the Committee has determined that the Senior Center annex site, next door to the Post Office, would be the most cost effective to house Senior Center activities.

Public Safety & Transportation Committee

Mayor Pro Tem Benjamin advised that he has met with Public Works Director Heydon and toured the City to review projects in progress and sites of future projects. He noted that he has particular concern for cross-walks along Marine View Drive.

ADMINISTRATION REPORTS

Acting City Attorney - Substitute

City Manager Piasecki introduced Susan Sampson who will be Acting City Attorney while Acting City Attorney Linda Marousek is on vacation.

Assistant City Manager Position

City Manager announced that he has appointed Corbitt Loch as the new Assistant City Manager.

Community Open House

A Community Open House will be held July 18th at the Des Moines Field House from 11 a.m. to 1 p.m. and 5 p.m., 5 p.m. to 8 p.m. This will be an informal opportunity for citizens to view facility and program information displays and to give input regarding preferences for future facilities, programs and services.

CONSENT CALENDAR was read by City Clerk Staab.

1. Motion is to approve the minutes of June 6 and 13, 2002.
2. Findings: Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.080, have been recorded on a listing which has been made available to the City Council.

    Motion: As of this date the Des Moines City Council, by unanimous vote, does approve for payment those vouchers and payroll transfers included in the above list and further described as follows:

        Claim checks #81341 through #81533 & electronic fund transfers in the total amount of $556,520.95

        Payroll fund transfers in the total amount of $323,982.76

3. Motion is to adopt the City of Des Moines "Vision and Mission Statement" and the City of Des Moines "Strategic Objectives for 2002-2003".
4. Motion is to approve Mayor Wasson's appointments to the Ad Hoc Parks, Recreation and Senior Services Master Plan Citizens Committee.
5. Motion is to enter into the supplemental agreement for professional engineering design services for the Pacific Highway South Project with CH2M Hill, increasing the maximum amount payable by $325,429 to a new total of $1,624,929, and further to authorize the City Manager to sign said contract substantially in the form as submitted, plus authorize the City Manager or his designee to approve change orders up to an amount of 15% of the supplement amount of $325,429.
6. Two Motions:

    A. To purchase 1,625 square feet of land and improvements from Helen Hanson in the amount of $56,800 plus closing costs, and to authorize the City manager to sign the purchase and Sale Agreement substantially in the form as submitted.

    B. To purchase 969 square feet of land and improvements from Marvin N. and Dorothy O. Titterud in the amount of $40,921 plus closing costs and to authorize the City Manager to sign the Purchase and Sale Agreement substantially in the form as submitted.

It was noted that Councilmembers Petersen and Steenrod did not participate on Consent Item 6.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Sheckler, to approve the Consent Calendar as read. Motion passed unanimously.

OLD BUSINESS

Draft Resolution No. 02-110 ***[ASSIGNED RESOLUTION NO. 931]*** Creating a New Council Standing Committee - Finance & Economic Development - Final Review

MOTION was made by Councilmember Steenrod, seconded by Mayor Pro Tem Benjamin to approve Draft Resolution No. 02-110.

Councilmember White noted that if this is a 4 member committee, it would be subject to the Open Public Meetings Act and a special meeting would have to be called. She noted she would prefer the whole Council review finance matters.

Councilmember Sheckler noted that currently the Council as a whole receives all financial information and can question any payment of any bills.

Mayor Pro Tem Benjamin commented that the committee should be limited to 3 members. He further noted that the Interim Finance Director stated this has worked well for other cities and has improved their financial situations.

Councilmember Sheckler disagreed with Mayor Pro Tem Benjamin's statement that staff had indicated that having such a committee would improve the City's financial situation.

City Manager Piasecki advised that staff provided Council with pros and cons of such a committee, but had no recommendations one way or the other.

Councilmember Steenrod voiced the opinion that this should be a 3 member committee charged with in-depth review of financial items, but could make no decisions, only recommendations to the Council as a whole.

Councilmember White noted she would rather have staff bring all expense vouchers to a study session and have all the Council review the items.

Councilmember Thomasson spoke against the forming of such a committee or having the whole Council dedicate time at meetings to review claim vouchers. He felt the system in place is very appropriate and the City's finances are reviewed yearly by the State Auditors office. He reminded Councilmembers that they can always call the Finance Director should they gave any concerns or questions regarding payment of bills.

Mayor Pro Tem Benjamin felt with budget shortfalls looming, Council needs to examine all possible solutions and this would be one of the charges of this new committee.

Councilmember Petersen noted that he favors a 3 member committee to review budget items and bring a report back to the Council as a whole.

VOTE ON MOTION: Motion passed 4 to 3 with Councilmembers Sheckler, Thomasson and White voting NO.

City Manager Piasecki advised Council that this would be an appropriate time to assign duties to the Committee by motion.

MOTION was made by Councilmember Steenrod, seconded by Councilmember Petersen, to remand a duty to the Committee to review the City's financial situation and make recommendations to the Council regarding strategies to enhance revenues and strategies to decrease expenditures.

Some discussion ensued regarding review of payment of bills and payroll. City Manager Piasecki suggested the original MOTION BE MODIFIED to include "Also, regular review of all claim checks, electronic fund transfers and payroll transfers". This was accepted by the maker and seconder of the motion.

City Manager Piasecki advised that this would not diminish the Finance Director's roll in auditing of these items, but would allow the Committee to review in depth to understand where the money is being spent, question expenses and examine ways to reduce such expenses.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Petersen, to table this item until the next meeting, July 11th. Motion passed unanimously.

Draft Resolution No. 02-111 Amendment to Council Rules of Procedure - Order of Business for Comments from the Public (Rule 20) - Final Review

MOTION was made by Mayor Wasson, seconded by Mayor Pro Tem Benjamin, to approve Draft Resolution No. 02-111.

Councilmember Thomasson advised that he is against this resolution as written. He felt that the issues have not been explored enough. He noted that his main objection is the fact that the public is the business of the Council.

Councilmember Sheckler spoke in opposition of the resolution, noting that the Presiding Officer can rule speakers out-of-order. He felt the current method allows for a reasonable time for citizens to address the Council, and placing public comments at the end of the meeting is like saying "we don't want to hear from you".

Councilmember White spoke in opposition, noting that Council is here to serve the citizens, and she would prefer to leave public comments at the beginning of the meeting.

Mayor Pro Tem Benjamin felt a time limit, and prioritizing the particular public comments would be most efficient.

City Manager Piasecki noted that Council can set the time for public comments anytime during the meeting. Also, Council could allow public comments on a specific item when it comes up on the agenda.

Mayor Wasson noted that public comments are to be directed to Councilmembers to help make good decisions. However, lately the comment period has been used as a public forum to get personal messages out to the public, not to Council.

VOTE ON MOTION: Motion failed 5 to 2 with Mayor Pro Tem Benjamin and Mayor Wasson voting YES.

NEW BUSINESS

Pacific Ridge South Area Neighborhood Issues and Creation of a Graffiti Ordinance

City Manager Piasecki advised that the Police staff had planned to make a presentation on these two items, but have been asked to be excused. He noted that the packet material references the continuing source of complaints from residents in the City has been the activities surrounding area motels, specifically incidents of criminal activity in the Pacific Ridge South Area neighborhood. He also noted that the City has seen a significant increase in the types and locations of graffiti in recent years, and it is present within all areas of our City. He felt the informational packets provided to Council contained sufficient information should Council wish to take action. He advised that staff recommends both of the subjects be remanded to the Public

Safety and Transportation Committee for review and recommendations to the Council as a whole.

MOTION was made by Councilmember Sheckler, seconded by Councilmember White and passed unanimously, to remand the issue of licensing of overnight lodgings and the issue of a creating a Graffiti Ordinance, to the Public Safety and Transportation Committee for review as part of its efforts to create a public safety strategy to recommend to the Council as a whole.

8:47 p.m. Mayor Wasson declared a 10 minute break. [ED NOTE: Councilmember Sheckler left the meeting.]

5 Year Operating Model Follow Up and Budget Policy Direction

Interim Finance Director Scott noted that at the May 16th Council meeting, a 5 Year Operating Model presentation was provided. Based upon requests by the Council at that meeting, additional and detailed support information was provided via memorandum. This evening's discussion is in follow up to this prior correspondence and the information provided is to serve as a basis of discussion regarding policy decisions that will impact the 2003 and future budgets. He proceeded to review the following:

MODEL ASSUMPTIONS:

- Year 2002 Budget Adjustments - Revenues & Expenditures

  Expenditures Include:
  - $150,000 for Police cars & capital
  - $50,000 operational costs for Steven J. Underwood Park
  - 4% annual increase for personnel costs & 2.% for other operating costs

  Revenues:
  - Include 2% annual increase after 2003
  - Include enterprise service charges, $700,000 to Marina; $52,000 to SWM
  - Exclude one-time revenues:
    - I-695 backfill money of $367,000
    - $623,000 in Highline School district & College building permits
    - $145,000 in sales tax revenues related to this school construction

  General Revenue Environment:
  - 1% property tax limit
  - Cumulative impact of losses from voter elimination of sales tax equalization

  RESULT FOR 2003: $1.8 MILLION DEFICIT

RESOLVING THE PROJECTED 2003 DEFICIT OF $1.8 MILLION:

- Operation efficiencies
- Accumulated reserves
- Certain expenditures supported by other City Funds
- Economic development & new revenue generation
- Operational budget cuts of services and staff
- Public vote

Interim Finance Director Scott noted some of the operational efficiencies that staff has determined will save money:

- LED Traffic Lights
- Fuel change to regular from mid-grade
- Janitorial services done in-house
- Reconfiguring City Hall entrances
- Consolidating facility and grounds maintenance operations at a lower service level
- Using State's Central Stores and consolidating purchases

Interim Finance Director Scott reviewed in detail a proposed change in method for the Revenue Stabilization Fund calculation. He noted Reserve Fund related decisions Council will need to determine are:

- Use of Reserve Stabilization Fund balances
- Use General and Street Fund related "beginning fund balances"
- Use Equipment Rental Maintenance Fund excess balances

Interim Finance Director Scott proceeded by reviewing the following items:
<u>NON RESERVE OPTIONS</u>:

- Debt Service on south wing of City Hall paid by using REET or other MCI Fund revenues (2003 = $133,142);
- Unemployment Compensation premium reduction ($17,000);
- Business registrations extended to non-City located vendors ($12,000 to $58,000)
- Other potentials needing analysis:
  - Employee health insurance participation

<u>MODEL ASSUMPTIONS -- CHANGES:</u>

- Should the vacant position expenditure reduction of $150,000 be included?
- Should one-time revenues be used to support operations?
- Should one-time revenues be used to purchase capital items in operating funds?
- Should one-time revenues be placed in the MCI Fund to fund projects or debt service on projects, or other costs?
- Should the model include enterprise related service charges to the extent it does?

Councilmember Thomasson commented on the following issues:
- While in the past Council has chosen not to license non-City located vendors, he is will to look at the possibility.
- He would prefer that the Unemployment Compensation Insurance Fund not be touched.
- Equipment Maintenance Fund, Could be reduced, however slowly.
- Unclear why the Beginning Fund Balance Sheet is so high.
- Revenue Stabilization Fund, willing to accept staff's proposal on how to use.

Interim Finance Director Scott advised that City Departments have submitted their budget cut proposals equal to 5%, 10% and 15% of their total budgets. He noted that the Finance Department is analyzing these packages and will be working with the departments over the next several weeks to fine-tune them in anticipation of providing them to Council for review by the end of July.

<u>Direction - Mobile Home Parks</u>

Community Development Director Kilgore advised Council that DMMC 14.48 provides for the regulation of mobile home parks. However, she noted that in 1992 the Council passed an ordinance making mobile home parks nonconforming uses. Although the Code requires it, staff currently has no site plans for any mobile home parks in the City other than the Woodmont/Redondo area. Over the years Community Development has allowed individual mobile home owners the ability to upgrade their units on a one-to-one basis. The purchase of right-of-way for the Pacific highway projects has again brought the issue to the forefront. Recently, one mobile home owner in the area has requested permission to buy several of the mobile homes purchased by the project and to move them into his park. Because of the complexity of this issue Administration has not responded to this request. Although staff understands and supports the Pacific Ridge Improvement Plan and the long range redevelopment of this area, it is staffs position that some steps should be taken in the interim to ensure the continuation of safe, secure housing in mobile home parks.

Community Development Director Kilgore requested direction from Council on staff's recommended changes as follows:

- Remove July 1, 1992 as the compliance date for mobile home owners to provide site plans to the City
- Provide a reasonable compliance date for existing mobile home owners to provide site plans to the City and provide a mechanism to ensure compliance through the business license process
- Provide a mechanism to ensure compliance with these regulations when a mobile home park is bought or sold through the business license process
- Develop a public notice procedure concerning these regulations
- Do not allow recreational vehicles in mobile home parks on a permanent basis.
- Allow recreational vehciles in mobile home parks on a limited basis under certain criteria
- Provide maintenance and operation standards for mobile home parks
- Clearly detail enforcement duties for Community Development

MOTION was made by Councilmember White, seconded by Mayor Pro Tem Benjamin, to direct staff to prepare an ordinance revising DMMC 14.48 based on staff's recommendations.

Councilmember Thomasson noted that mobile home parks do represent legitimate public concerns. He stressed the importance of a good process for site plan review by the Community Development Department.

Councilmember Petersen voiced support for this change as he felt mobile home parks help provide homes for lower income individuals.

VOTE ON MOTION: Motion passed unanimously.

EXECUTIVE SESSION

MOTION was made by Mayor Wasson to reconsider the previously approved separation agreement for the former City Attorney.

10:15 p.m. Mayor Wasson announced that the Council will recess into an Executive Session for approximately 15 minutes to discuss with legal counsel representing the City litigation, or potential litigation to which the City is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the City.

No formal action was taken.

MOTION DIED for lack of a second.

NEXT MEETING DATE

Mayor Wasson announced that the next regular meeting will be on July 11, 2002.

ADJOURNMENT

The meeting was adjourned at 10:29 p.m. by motion, duly passed.

Respectfully submitted,

Denis Staab
City Clerk