PRELIMINARY
REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES September 5, 2002

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

PLEDGE OF ALLEGIANCE to the Flag was led by Mayor Pro Tem Benjamin.

ROLL CALL - Present: Mayor Don Wasson, Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Bob Sheckler (left meeting at 8:58 p.m.), Maggie Steenrod, Scott Thomasson and Susan White. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, City Attorney Linda Marousek, Public Works Director Tim Heydon, Assistant City Engineer Maiya Andrews and City Clerk Denis Staab.

DISCUSSION ITEMS

Highline Water District 2002 Comprehensive Water System Plan Update

Public Works Director Heydon advised Council that the purpose this evening is to brief Council on the Draft Comprehensive Water System Plan Update of the Highline Water District and to solicit any comments Council may have on the work completed to date. He noted that the Plan was last updated in 1996. He further noted that because of the critical importance of water for the health and safety of citizens, cities are included in the review and approval process of Water District Comprehensive Plans. No formal action is required of Council this evening, but after the District Commissioners have officially accepted the plan, an ordinance will be brought before the Council for official action on the Plan. He introduced Tom Keowin, Highline Water District Engineer and Susan Boyd of Penhallegon Associates Consulting Engineers, Inc. for Highline Water District.

Ms. Boyd proceeded to review the following:

Project Goals

- Establish a plan for orderly development of the system
- Comply with regulatory requirements
- Identify land use and population trends and projections
- Document historical use trends/develop projections
- Identify existing & projected system needs
- Develop a detailed Capital Facilities Plan (CFP)
- Review financial capabilities to implement CFP

Service Area

- Approximately 18 square miles
- Provides service to 65,000 people, 20,000 employees, 17,000 connections & 32,000 ERU's
- Services to 8 jurisdictions including the City of Des Moines

Land Use

- 70.19% Single-Family, 8.87% Multi-Family, 5.19% Commercial, 1.69% Business Park, 2.81% Industrial, 0.13% Agricultural, 3.68% Airport, 2.51% Parks, 1.47% Water and 3.16% Major Roads

Ms. Boyd also reviewed current and projected:

- Population and Employment
- Sales by Customer Class
- Historical/Project Demands

She then reviewed:

Capital Facilities Plan, a total of nearly $28 Million

- Distribution System Investment - $18 Million
- Storage Facilities Improvements - $3,500,000
- Source Improvements - $6 Million

Financial Analysis Recommendations

- Apply for Funding Assistance: Public Works Trust, FEMA & Others
- Rate Study Underway to Determine Impact of New Wholesale Contract: Include cost of service analysis and review General Facilities charges

In conclusion, Ms. Boyd made the following points:

- Highline Water District's water system is sound and without significant deficiencies
- Project recommendations are primarily prioritized renewal and replacements
- Significant growth is expected in certain areas while SR-509 realignment displaces customers in other areas
- continued coordination with City of Des Moines and other jurisdictions is key

Upon questioning by Council regarding rate increase to users from the new water supply agreement with the City of Seattle, Ms. Boyd replied under the new agreement rate increase is exempt until the year 2012. She also noted that a rate study is underway since rates have not gone up since the year 2000.

Public Works Director Heydon concluded by noting that overall this is a well written Comprehensive Plan which covers the important elements of future water system planning in sufficient detail so that it is clear what needs the District requires in order to serve their existing and expected future customers. He noted that the final plan will probably come back to Council sometime in November.

COMMENTS FROM THE PUBLIC

Midway Park at South 221st and 29th Avenue South

Matthew Wrice, Kay Sanches and Linda Tualaulelei representing the group ACORN, and all living near Midway Park, addressed Council with concerns regarding the Park. They requested the City place lights, a drinking fountain and at least 2 restrooms at the Park. They felt lights are a major safety issue and would repress illicit activity in the park, and the drinking fountain is important for kids playing in the park during the summer heat.

<u>2003 Preliminary Budget Presentation</u>

City Manager Piasecki noted that the 2003 Budget short-fall is projected to be $1.8 million and expenses are expected to be up 4%, while revenues will only rise by 2%. He advised Council that staff has spent a great deal of time analyzing all possible avenues for the City to explore. He informed Council that to gauge what impact only cutting the budget to balance it would have on operations, staff put together cut packages equal to 5%, 10% and 15% of the budget. Staff also reviewed the City's budget and operations for potential efficiencies, estimated the amount of one-time revenues the City will most likely receive in 2003, projected the size of our reserves, and brainstormed potential new revenue sources. He proceeded to review the information provided in Council packets as follows:

Operational Efficiencies (General & Street Funds Only):

• Changing to LED traffic lights	$ 20,000
• Fuel change to regular	$ 2,125
• Use of State Central Stores as vendor	$ 10,000
• Janitorial Services	$ 10,730
• Cell phone use policy change (estimate only)	$ 20,000
• Purified water use policy change	$ 2,400
• Consolidating grounds maintenance	$ 22,000
• Records Storage moved to City facilities	$ 10,000
• City Hall Facility entrance changes	$ 42,651
• Eliminate CSO position in lieu of p-time transport officer	$ 26,367
• Planning Manager Reclass to Land Use Planner 2	<u>$ 37,000</u>
TOTAL OPERATIONAL EFFICIENCY SAVINGS =	$203,273

Operational Policy Changes:

• Unemploy. Insurance Fd Premiums @ $.25	$ 17,000
• Debt transfer to MCI Fund	$133,142
• Airport Defense Funding -- 1% Utility Tax	$368,000
• Skip Replacement User Charges - Equip. Rental	$183,268
• Skip Replacement User Charges - Computer Equipment	$ 52,114
• Delete Replacement of 3 Police Cars in 2003 (Note: Vacant positions of $150,00 already reflected in the deficit calculation)	<u>$120,000</u>
TOTAL OPERATIONAL POLICY CHANGES =	$873,524

Recommended Policy Changes

• Unemployment Insurance fund premiums	$ 17,000
• South Wing Debt Service to MCI	$133,142
• Use portion of Airport Defense Utility Tax (leaving $200,000 in Airport Defense)	$168,000
• Replace 1 (versus 3) police vehicles in 2003	$ 70,000
• No computer replacements in 2003	<u>$ 52,114</u>
TOTAL =	$440,256

City Manager Piasecki then reviewed one time revenues projected for 2003 as follows

- I695 Backfill Revenues	$ 367,000
- Building Permits for School & College	$1,285,445

- Sales Tax on School & College Constr.	$ 497,575
Total One-Time Revenues =	$2,150,020

He noted that the Fund Balance would be $395,442 and with Revenue Stabilization of $1,426,566 the combined total, with the one time revenues, would amount to $3,972,028

City Manager Piasecki advised that some of the ways to increase revenues would be a $30 business license registration fee for businesses not located in Des Moines, but doing business through construction/building permits. He noted this would raise approximately $11,000 and would allow the City a better opportunity to track sales tax by these businesses. It was also suggested that animal license fees be increased.

City Manager Piasecki continued by reviewing proposed budget cut detail by departments, and additional cost saving considerations

Mayor Pro Tem Benjamin cautioned that the City should anticipate, and plan for, an actual shortfall being closer to $1.9 to $2 million. He also suggested that City should consider bringing in an outside party to analyze and review operations to see what we are doing right and wrong.

City Manager Piasecki requested Council adopt the 2003 Budget Conceptual Plan as submitted, and provide direction regarding the manner in which staff should pursue filling the remaining shortfall of $252,143. He concluded by noting the goal of this plan is provide time for the City to increase revenues through economic development while maintaining service levels to our residents or, to cut the budget and lower service levels gradually.

Councilmember Steenrod requested that no decision be given this evening until the Finance and Economic Development Committee gets an opportunity to review the data presented this evening. She felt there were some significant changes in the figures that the Committee had last seen. She advised that the Committee is meeting on Monday.

Councilmember Thomasson expressed disappointment in the fact that Council did not make more cuts last year in preparing the 2002 Budget. He did note however, that using five year projections as a tool will be helpful in preparing for the future.

8:58 p.m. Mayor Wasson declared a five minute break. [ED NOTE: Councilmember Sheckler left the meeting.]

Agenda Revision

Mayor Wasson announced that he will be taking Discussion Item Number 6 next.

Cancellation of 2002 Agreement with Regional Commission on Airport Affairs (RCAA)

Mayor Wasson announced that back in June he requested RCAA furnish him with financial information regarding their expenditures for the years 2001 and 2002. He noted he sent a 2nd letter in June and did receive records for 2001 but not for 2002. He reported that he sent another request for the 2002 financial information and as of this date has received no response. He stated that this is not acceptable that RCAA will not tell the City what it is spending money on. He noted that Airport litigation is an on-going process with no participation by RCAA and therefore he feels the City is not getting any benefit. Therefore he offered the following:

MOTION was made by Mayor Wasson, seconded by Mayor Pro Benjamin, to cancel the City's agreement with RCAA and not pay any fees for 2002 as RCAA has not lived up to its part of the agreement.

Councilmember Thomasson voiced the opinion that RCAA has been a valuable resource in placing input on policy issues to both the State and the County. However, he noted their contract provides that their financial records be open for inspection. He felt there may be some misunderstanding and suggested that a letter from Des Moines City Attorney requesting the financial records be sent. Then, if there is no answer, he would be in favor of terminating the contract, but he would prefer RCAA be given one more chance to comply. He felt that there may still be a fair amount of public information that RCAA would provide in the fight against the airport expansion.

Mayor Pro Tem Benjamin noted that while RCAA may have been a good PR vehicle in the past, he has not seen any valuable reports this year. Therefore, he can see no value in the contract with RCAA now or in the future.

MOTION was made by Councilmember White, seconded by Councilmember Thomasson, to table the motion to the September 26th Council meeting. Motion failed 2 to 4 with Councilmembers Thomasson and White voting YES.

Councilmember Steenrod voiced support for the original motion noting that the money saved could be used for any possible Port of Seattle appeals. She also felt RCAA is duplicating the efforts of ACC who is doing a good job.

Upon questioning by Council, City Manager Piasecki advised that the City pays RCAA $28,000 a year, in quarterly installments.

Mayor Wasson asserted that the City has received no benefits from RCAA actions and therefore should receive no payment for this year.

City Attorney Marousek noted that the Contract language states that RCAA will be entitled to pro rata compensation based on the number of months the contract has been in effect once the City gives its required 30 day notice of termination of the contract.

Mayor Wasson noted that the contract states this payment is based upon the quantity and quality of services performed by RCAA on behalf of the City and since he believes that they have not done that, the City owes them nothing.

Councilmember Steenrod stated that this money is taxpayer funds and RCAA has a duty to respond, and we have a duty to City taxpayers to make sure their money is being spent wisely.

EXECUTIVE SESSION

At 9:23 City Attorney Marousek announced that Council will hold an Executive Session for approximately 10 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 and about which public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the City.

At 9:27 p.m. Council adjourned the Executive Session and reconvened into open session.

MOTION to amend his original motion was made by Mayor Wasson, seconded by Mayor Pro Tem Benjamin, to cancel the contract with RCAA, and to direct the City Manager to determine how much the City may owe and to report this amount back to Council for final determination on payment. Motion passed 5 to 1 with Councilmember Thomasson voting NO.

Undergrounding Utilities 16th Avenue South

Assistant City Engineer Andrews informed Council that the 16th Avenue South Improvement project is currently under design which is 50% complete. She noted the design has been funded through the State Transportation Improvement Board (TIB), King County and City funds. The project adds a left-turn lane, sidewalks, bicycle lanes, improvement to the crosswalk in front of Woodmont Element School, includes stormwater improvements and a minor signal improvement at South 260th Street. She noted however, that costs for undergrounding of utilities is substantial and is not included in the current Capital Improvement Plan, and in order to include it in the project, additional funding would be necessary. She noted the City's portion of the cost to underground would likely be at least $450,000, and may be as high as $760,000, according to Puget Sound Energy. She advised that at this time there is no funds to do the undergrounding work. She requested that Council authorize staff to proceed without utility undergrounding so that the City's consultant can proceed to final design of the project.

Councilmember Thomasson noted that the City's Code requires the undergrounding of utilities where a street is being improved unless Council determines otherwise. He advised that he cannot accept ¾ mile of street improvements without the undergrounding of utilities. He stated that he would rather delay the project and do it right or review other CIP projects that could be delayed to fund this project. He felt it would be a big mistake not to underground and would be too costly and disruptive to do so at a later time.

Councilmember Steenrod voiced the opinion that since this roadway effects so many children walking to and from school, it should not be delayed.

Mayor Wasson expressed agreement with Councilmember Thomasson.

Council's consensus was to have staff review the C.I.P and look for other projects that could possibly be delayed to fund the undergrounding of utilities and to report the findings back to Council for final consideration and decision.

Draft Resolution No. 02-190 ***[ASSIGNED RESOLUTION NO. 936]*** Commemoration of The One Year Anniversary of 9-11

City Attorney Marousek read the draft resolution in its entirety into the record commemorating the one-year anniversary of the September 11 tragedies, and dedicating September 11, 2002, as "ALWAYS REMEMBER 9-11 DAY", a day to mourn, reflect and rededicate ourselves to ending terrorism.

MOTION was made by Councilmember White, seconded by Mayor Pro Tem Benjamin and passed unanimously, to approve Draft Resolution No. 02-190.

PUBLIC COMMENT - Draft Resolution No. 02-201 Regarding Referendum 51

Councilmember White, who requested this agenda item, spoke of the importance of improving regional traffic problems. She noted the problems are apparent in Des Moines every morning and evening as regional traffic is forced to use alternative residential routes through Des Moines because Interstate 5 is so backed up.

Public Works Director Heydon noted that in November of this year citizens of the State will be voting on Referendum 51 which is a 10 year transportation funding plan. He noted that should the referendum pass, the average driver is expected to see an increase in the cost of their fuel of about $4 a month. He noted Des Moines will benefit directly from the construction of State Route 509, which is one of the listed projects which will receive a significant amount of funding if the measure passes. Mr. Heydon introduced Craig Stone of Washington State Department of Transportation.

Mr. Stone distributed written information material to Council regarding the Referendum. He noted Referendum 51 is a statewide 10 year transportation funding plan to help fix the most dangerous roads and bridges, relieve some traffic chokepoints, and improve freight mobility and public transportation. He advised that the City of Des Moines would benefit as State funding would be available for the beginning connection of SR-509 from SeaTac Airport to I-5. He pointed out however, that both a regional and state funding package would have to approved to complete SR 509 to Federal Way. He displayed and reviewed a project map for proposed route of SR-509.

Public Works Heydon advised that if Referendum 51 does not pass, the cost to the City of Des Moines in increased transportation project needs is expected to be $8.6 million if 509 is not built, according to a March 19 2001 transportation study done by the Transpo Group.

Upon questioning by Council regarding the potential individual financial impact on the increase in gross weight fees by 30% for trucks over 10,000 pounds, Mr. Stone advised that he did not have that information with him, but he would get it to Council.

Councilmember Thomasson noted that historically Council has been very cautious to endorse initiatives or referendums, however he feels the issue of impacts to Des Moines if SR-509 is not funded may make it worth while to speak out and educate the citizens. He stated that since SR-509 is not even mentioned in the draft resolution, he cannot support the resolution.

Mayor Pro Tem Benjamin felt it is incumbent to put this issue forward, noting it will be up to the voters to decide since the State Legislature could not make the decision.

Councilmember White commented that traffic in Seattle is really bad, and that we should reach beyond our own City boundaries to support this issue.

Councilmember Steenrod expressed agreement with Councilmember Thomasson that the draft resolution needs to inform Des Moines' residents on what direct benefits they can expect.

Mayor Wasson opened the meeting to public comments on Referendum 51.

PUBLIC COMMENTS

Senator Karen Keiser advised that she feels it is important for leaders to take a stand on this issue and let voters know how they feel. She noted that most people living in Des Moines commute and are caught in major traffic jams. This funding would create relief to traffic congestion and help citizens enjoy a better quality of life, encourage stronger economy by encouraging businesses to locate or stay in the area. She felt this is a basic transportation issue and while the wording in the draft resolution may not be the best, she feels it is important for Des Moines Council to take a stand and approve the resolution. She concluded by noting while fees may go up, there are still not as high as before I-695.

Peter Thein, R-51 Campaign Committee Member, encouraged Council to support Referendum 51 citing the following:

- Targets 2000 safety related projects throughout the State
- Provides congestion relief
- An Accountability Board will be established
- Increase economy by increased freight mobility
- Des Moines will benefit financially over 10 years with an annual average of $77,169

Upon questioning by Council, Mr. Boyd noted that if the State funding passes, but not the regional, then SR-509 would start and go over to South 188th and tie into Highway 99. The regional package would fund the rest of the project to Federal Way.

Don Reicks spoke against Council supporting the draft resolution. He noted that at best SR-509 is being built in small sections with a very slim hope that it will ever go further south than South 210th.

Gary Heisel addressed Council speaking against the draft resolution and Referendum 51. He felt that freeway building is illogical because population growth will prohibit continuation of cars.

Jack Arends spoke in support of the Referendum 51 issue. He noted that while the Referendum 51 package may not be perfect, many business decisions will be impacted on where to locate and without transportation improvements, the State of Washington will lose.

ADJOURNMENT

10:30 p.m. Mayor Wasson interrupted Mr. Arends to note that Council meeting time has expired and that the meeting will stand adjourned. He noted that the next meeting will be September 12, 2002.

Respectfully submitted,

Denis Staab
City Clerk