REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES September 7, 2000

The regular study session of the Des Moines City Council was called to order at 7:32 p.m. by Mayor Thomasson in the Council Chambers, 21630 11th Avenue South.

ROLL CALL - Present: Mayor Scott Thomasson, Mayor Pro Tem Bob Sheckler, Councilmembers Terry Brazil, Dave Kaplan, Gary Towe and Don Wasson. Absent: Councilmember Dan Sherman (vacation). Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, City Attorney Gary McLean, Finance Director Scott McCarty and City Clerk Denis Staab.

MOTION was made by Councilmember Kaplan, seconded by Mayor Pro Tem Sheckler and passed unanimously, to excuse Councilmember Sherman.

ANNOUNCEMENT

City Manager Olander stated that school is back in session and reminded everyone to drive extra carefully. He stated that Des Moines Police have a strong emphasis patrol in school zones.

DISCUSSION ITEMS:

Draft Resolution No. 00-188 ***[ASSIGNED RESOLUTION NO. 893]*** - Authorize Chamber of Commerce to Hold “Nibble of Des Moines”

Clarice James, Executive Director of the Des Moines Chamber of Commerce, informed Council that 9 restaurants will be participating in this year’s event. She also noted that there will be many arts and crafts booths, a bike and car show, and a well known wood chain saw carver.

MOTION was made by Mayor Pro Tem Sheckler, seconded by Councilmember Brazil, to approve Draft Resolution No. 00-188.

Mayor Thomasson read the resolution by title into the record.

VOTE ON MOTION: Motion passed unanimously.

Draft Resolution No. 00-141 ***[ASSIGNED RESOLUTION NO. 894]*** - City Council Rules of Procedure

City Manager Olander noted that the draft resolution has been prepared at the request of several City Councilmembers.

MOTION was made by Councilmember Kaplan, seconded by Mayor Pro Tem Sheckler, to suspend the rule in DMMC 4.12.030 requiring a second reading, to act on the draft resolution on a first reading. Motion passed unanimously.

MOTION was made by Councilmember Kaplan, seconded by Mayor Pro Tem Sheckler, to approve Draft Resolution No. 00-141.

Mayor Thomasson read the draft resolution by title into the record.

Councilmember Towe noted that in general he favors the proposed changes with the exception of Rule 20: 1.a as he is against placing a time limit on comments from the public.

Mayor Thomasson stated that he could accept an hour, but reminded Council that the meetings are a time for Council to act on the business on the Agenda. Without a limit it becomes difficult to move forward.

Councilmember Kaplan advised that he appreciates hearing what the citizens have to say and felt an hour would be a good compromise.

Councilmember Brazil felt that if public comments concerned an item on that evening's agenda and seemed to be excessive, then the Mayor could remove the subject to another meeting to allow time for more public input.

City Manager Olander reminded Council that often times there are other citizens in the audience who are waiting to hear Council's determination on items scheduled later on Council's agenda and in fairness to them there needs to be some balance as to how long the meeting will go on.

Councilmember Towe also noted that item 3.b seemed to be unnecessary as any problems could be handled in item 3.d. He felt that 3.b would restrict certain presentations or award ceremonies.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Towe, to amend the resolution by striking item 3.b.

Mayor Thomasson spoke against the amendment by stating there is a need to control people from accidentally breaking some of the wires necessary for the taping of the Council meetings and a specific rule helps with that control.

VOTE ON MOTION: Motion failed 3 to 3 with Councilmembers Kaplan, Towe and Wasson voting YES.

MOTION was made by Councilmember Brazil, seconded by Mayor Pro Tem Sheckler, to amend item 3.b to add the language that exceptions may be granted by the Mayor. Motion passed 5 to 1 with Councilmember Kaplan voting NO.

MOTION was made by Councilmember Kaplan, and seconded, to amend the resolution by striking item 1.a.

Councilmember Kaplan stated he felt this section unnecessary as the Mayor already has the description to curtail the comments

Councilmember Wasson noted that he felt Item 1.a was unreasonable as there has only been a couple of times that comments from the public have gone longer than 30 minutes. He felt Council usually does not get enough public participation.

VOTE ON MOTION: Motion passed unanimously.

Councilmember Towe spoke in support of the draft resolution as he felt the rule changes made meetings less intimidating to the public and clarifies the code of conduct expected at Council meetings.

VOTE ON MAIN MOTION: Motion passed unanimously to approve the draft resolution as amended.

Financial Status Update of Operating Funds for 2nd Quarter 2000

Finance Director McCarty reviewed revenues and expenditures for the general, streets and parks operating funds for the quarter ending June 30, 2000, with highlights as noted.

Revenues

- Year to date revenues totaled $6.7M, 58% of the $11.5M budget amount. Two main factors contributed:
    1. The extremely healthy local economy generated higher than normal budget activity in building fees, construction sales tax, and interest income.
    2. The City received entire year 2000 allocation in state supplemental assistance related to I-695 (R720,945).

Expenditures

- Year to date expenditures totaled $5.1M, 45% of the 11.2M budget amount. Two main factors explain actual expenditures less than budget:
    1. Nine full-time staff positions have been vacant for all, or a portion of time, through June 30th, resulting in unexpended salaries and benefits of approximately $200,000.
    2. The actual expenditures do not include June 2000 monthly bills. Additionally, one time costs paid later in the year, such as election costs and police holiday pay-out, are not included.

2000 Operating Funds' End of Year Fund Balance Projections and Reserve Funding Analysis

Finance Director McCarty proceeded to provide Council with 2000 end of year projections for general, streets and parks fund balances and related reserve funding analysis. He noted that three factors will significantly impact the 2000 ending fund balances as follows:

1. The economy. Building and related fees are at record levels.
2. Retroactive utility tax audits. Staff, in conjunction with Microflex, is conducting retroactive utility tax audits on the City's largest taxpayers. Staff estimates these audits to yield $200,000, up to $400,000.
3. Vacant staff positions, as noted earlier.

Finance Director McCarty stated that based on staff estimates, the budgeted year 2000 the GSP ending fund balance of $529,440 could be $1.3M, and at that level, the following reserves of the City would be fully funding in 2000:

1. GSP 7% reserve of $782,086. This policy is intended to cover unanticipated expenditures shortfalls (2%) and revenue shortfalls (5%).
2. Revenue Stabilization Fund reserve of $1.2M. This fund is intended to provide a cumulative reserve for recessionary periods.

Finance Director McCarty noted that, under staff projections, an estimated $340,545 might be available to Council for other uses. However, he advised that it is important to realize that these are projections, and that these estimates are primarily "one-time" revenues due to the strong economy. He felt it is not prudent to consider increasing ongoing expenses or to reduce ongoing revenues. In conclusion, he noted caution is warranted due to pending votes on I-722 and I-745, as well as the pending Supreme Court decision on I-695.

Draft Ordinance No. 00-196 ***[ASSIGNED ORDINANCE NO. 1271]*** Street Light Utility - 1st Reading

MOTION was made by Councilmember Brazil, seconded by Mayor Pro Tem Sheckler, to direct staff to prepare an ordinance suspending Street Light Utility fees for 2000, and develop a revised draft for discussion during the 2001 budget discussions.

Councilmember Towe stated that he cannot support the motion. He felt the state of emergency no longer exists and the City does not know what next year will look like. He noted this is an emotional issue and it does have a significant financial impact on citizens. He would prefer to repeal the utility and deal with next year's budget implications when they arise. He felt the City should request that the State Legislature follow-up on their promise to plug the holes due largely to their mismanagement of tax money.

Mayor Thomasson noted that he is doubtful long term solutions will be coming from the State Legislature any time soon and most likely there will be more financial crises ahead before the issue is solved. He stated he would rather keep the City's opportunity open for the utility, and on hold for this year, and pick it back up during 2001 budget discussions.

VOTE ON MOTION: Motion failed 3 to 3 with Councilmembers Kaplan, Towe and Wasson voting NO.

MOTION was made by Councilmember Kaplan, seconded by Mayor pro Tem Sheckler, to suspend Council Rule 26(b) in order to enact Draft Ordinance No. 00-196 on first reading. Motion passed 5 to 1 with Councilmember Brazil voting NO.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Towe, to approve Draft Ordinance No. 00-196.

Mayor Thomasson read the ordinance by title into the record.

Councilmember Kaplan noted that he originally voted for the Street Light Utility because it would do good things and made sense. However, in light of the improved financial picture, and a commitment to regain citizens trust, he would prefer to repeal the utility at this time.

Councilmember Brazil stated he will support repeal, but cautioned that not all the facts and financial impacts may be known at this time.

VOTE ON MOTION: Motion passed unanimously.

Metricom Franchise Agreement

City Attorney McLean announced that Metricom has refused to sign the Franchise Agreement because of the "most favorable city" clause. He requested direction from Council as to whether he should negotiate with Metricom.

After some discussion, Council consensus was for the City Attorney to attempt negotiations and report back to Council.

Green River Watershed Forum

Councilmember Brazil announced that their will be a meeting at Burien City Hall on Tuesday, September 12th and he will support the proposed interlocal agreement being proposed.

Utility Assumption

Councilmember Wasson requested more in depth study of the costs to the City of Des Moines before any more staff time is spent regarding assumption of the portion of Highline Water District within Des Moines City limits. He expressed concern over a potential assumption of a $3M bond and $5M trust loan repayment.

City Manager Olander noted that City staff disagrees with Highline Water District over the actual dollar amount of the bonds.

NEXT MEETING DATE

Mayor Thomasson announced that the next regular meeting will be September 14, 2000.

ADJOURNMENT

The meeting was adjourned at 9:28 p.m.

Respectfully submitted,

Denis Staab
City Clerk