REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES September 29, 2005

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

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

ROLL CALL - Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Richard Benjamin, Gary Petersen, Dan Sherman, and Maggie Steenrod. Absent: Councilmember Susan White. Also in attendance were City Manager Tony Piasecki, City Attorney Linda Marousek, Chief of Police Roger Baker, Finance Director Paula Henderson and Deputy City Clerk Angela Chaufty.

> **MOTION** was made by Councilmember Petersen, seconded by Councilmember Steenrod and passed unanimously to excuse Councilmember White from attendance.

COMMENTS FROM THE PUBLIC

Ed Pina, 24219 7th Avenue South

> Mr. Pina addressed Council regarding the proposed marina parking fees. He advised Council to not implement a parking fee if they wished to attract visitors to the downtown and marina areas. He said that the residents already pay taxes and should not have to pay for parking also.

Richard Curtis, 27319 10th Place South

> Mr. Curtis informed Council of an incident that occurred on September 25, 2005. Once 911 was called, and it took 40 minutes for the police to respond. Mr. Curtis said that a police sub-station and more of a police presence in Redondo was needed. Regardless of whether the levy lid lift was approved by the voters, Mr. Curtis said that Council needed to provide for the safety of its citizens.

Harry Mandros, 27304 10th Avenue South

> Mr. Mandros said that the establishment of a substation at current police staffing levels would cut police resources even more. He noted that at least five calls regarding the incident reported by Mr. Curtis had been made to 911. Mr. Mandros said that Council's priority should be law and order.

Gene White, 28742 Redondo Beach Drive

> Mr. White voiced agreement with the previous speakers' comments. He encouraged Council to listen to the advice of the Chief of Police. Mr. White said that a Police substation was needed in Redondo as well as in other areas of the City. He said that Council should build up the police department and provide facilities for them.

BOARD & COMMITTEE REPORTS

Mount Rainier Ad Hoc Committee

> Councilmember Benjamin reported that the Mount Rainier Pool was still operating.

PRESIDING OFFICER'S REPORT

DMMC 5.08 Solicitors

Mayor Sheckler noted that DMMC 5.08 required all solicitors to obtain a registration from the City prior to soliciting in Des Moines. Failure to do so would result in a Class 1 infraction. "No Solicitor" signs were available for purchase at City Hall. He encouraged residents to ask to see the solicitor's permit. If the resident was at all uncomfortable, 911 should be called.

Response to Comments from the Public – Curtis, Mandros, and White

Mayor Sheckler noted that the levy lid lift measure included the development of a substation in Redondo and an increase in police personnel. He asked Chief of Police Baker to report on the current status of the potential substation.

Chief Baker informed Council that the Joshua Green Corporation has offered to front all the necessary funds for leasehold improvements and infrastructure requirements in the amount of $67,405. These funds would be repaid to Joshua Green over the term of a five year lease without interest. The lease agreement for the actual office space would remain at no monthly or yearly lease cost for five years. He estimated the monthly repayment amount to be $1,123 while the monthly reoccurring costs would total $1,041.

In response to Mayor Pro Tem Thomasson's questioning, Chief Baker said that he had not yet had a chance to research the cause of the police response time to the incident mentioned by the speakers. In response to Councilmember Steenrod's questioning regarding the attempted kidnapping, Chief Baker said that the investigation was on-going. Extra patrols would be patrolling the schools next week.

COUNCILMEMBER COMMENTS

Flu Shots

Councilmember Sherman reported that flu shots would be administered at the Activity Center on October 18, 2005 from 10:00 a.m. until Noon.

Streamline Sales Tax Initiative

Councilmember Sherman reported that an agreement regarding the Streamline Sales Tax had been reached and the initiative would be presented to the legislature. If approved, the initiative would result in approximately $500,000 annually to Des Moines.

Police Services

Councilmember Sherman stated that a police substation would require police personnel. He said that the Police force needed to be restored. This could be accomplished through the levy lid lift. Councilmember Sherman said that the City had significant financial problems.

Highline Forum

Mayor Sheckler reported that he and the City Manager had attended the Highline Forum meeting. The group discussed the potential impact of I-912 (repeal of fuel tax) if it should pass to the surrounding cities.

City Manager Piasecki informed Council that Des Moines would loss $118,212 annually if the initiative passed.

Councilmember Sherman questioned whether the Port of Seattle still supported replacing the viaduct with a tunnel. He noted that the public's perception of various projects would influence their vote.

NEW BUSINESS

Puget Sound Regional Council - Potential Membership

City Manager Piasecki introduced the subject. He noted that Councilmember Petersen had made a motion to reconsider the issue at the last Council meeting.

MOTION was made by Councilmember Benjamin and seconded by Councilmember Steenrod to join PSRC.

Upon questioning from Councilmember Steenrod, City Manager Piasecki confirmed that the City would be under no obligation to continue their membership past the first year.

Councilmember Sherman noted that a City did not need to be a member of the PSRC to receive its benefits. He said that discussions regarding the replacement of PSRC with an elected body to address transportation issues were on-going. Councilmember Sherman said that staff did not have time to attend additional meetings and he questioned whether Council had time to attend them. Councilmember Sherman stated that the benefit of membership was dubious.

Councilmember Petersen said that he was unsure of whether any good would come out of joining the PSRC but nothing would be lost by seeing if there was a benefit.

Mayor Pro Tem Thomasson said that the City needed to focus its money and resources. He noted that no criteria to measure the effectiveness of the membership had been determined.

Mayor Sheckler stated that he was willing to see if the City received any direct benefit from membership over the next year. Continued membership in the PRSC would be discussed during the 2007 budget process.

Councilmember Benjamin said that memberships and network opportunities were good methods to move the City forward. He also recommended that Council reassess membership in the PSRC next year.

VOTE ON MOTION: Motion passed, 4 – 2, with Mayor Pro Tem Thomasson and Councilmember Sherman opposed.

2006-2007 Revenue Estimates & August 2005 Year-to-date Financial Update

Finance Director Henderson presented a financial update of the City's operating funds year-to-date through August 2005.

At 8:20 p.m., Councilmember Benjamin left the chambers.

Finance Director Henderson noted that revenues were below expectations. August year-to-date revenues were 53% of budget. She explained that the 2005 revenue estimates had included revenues from the Masonic Home project which were not longer expected to come in this year.

Finance Director Henderson reviewed the following general and street fund revenues and estimated their year end percentage of budget:

- Taxes – 95.3%
- Licenses/Permits – 88.1%
- Intergovernmental – 117.6%
- Charges for Service – 47.7%
- Fines/Forfeits – 50%
- Interfund – 96%
- Interest – 95.2%
- Miscellaneous – 91.7%
- Operating Transfer – 99%

Finance Director Henderson projected the 2005 year end total revenues percentage of budget to be 86.8%. She then reviewed the general and street fund's expenditures. The expenditures were slightly below expectations at 61.2% of budget. Finance Director Henderson reviewed the following expenditures and their percentage of budget through August:

- Salaries and Wages – 64.2%
- Personnel Benefits – 62.5%
- Supplies – 57.8%
- Other Services – 63.1%
- Intergovernmental Services – 48.5%
- Interfund Charges – 78.7%
- Capital Outlay – 74.1%
- Operating Transfer – 5.7%

In regard to the Marina Revenue Fund, Finance Director Henderson said that revenues through the end of August were 74.3% of budget and expenses were 58.4% of budget. She noted that approximately $550,000 in debt service would be due in December.

At 8:35 p.m., Councilmember Benjamin returned to the Chambers.

Finance Director Henderson reviewed the revenues and expenditures for the Surface Water Management Operations Fund through the end of August 2005. She expected a positive ending fund balance for the Fund.

Mayor Pro Tem Thomasson recommended that a formula be established for the Fund to insure that the ending fund balance would not go negative.

Finance Director Henderson presented the following 2006 and 2007 general and street fund revenue forecasts, excluding one-time monies:

	2006	2007
Taxes	$8,866,500	$9,048,500
Licenses & Permits	876,000	876,000
Intergovernmental	1,384,239	1,334,832
Charges for Services	1,426,675	1,468,675

Fines & Forfeits	250,000	250,000
Interfund Revenues	998,539	998,539
Interest Earnings	44,100	44,100
Miscellaneous	142,630	142,630

Based upon an assessed valuation of $2,347,658,332, Finance Director Henderson estimated the 2006 property tax revenue to be $2,725,000 with a levy rate of $1.161. Passage of the levy lid lift would result in an additional $1,032,970. Finance Director Henderson estimated the 2006 sales tax revenue to be $2,144,470. She noted that recurring sales tax revenues were relatively stable with some increase from automotive repairs and restaurants. The Business and Occupation tax for 2006 was forecasted to be $500,000. Finance Director Henderson noted that the audit performed by Microflex had been very successful.

At 8:52 p.m., Mayor Sheckler declared a ten-minute break.

Finance Director Henderson estimated revenues in the amount of $309,000 for Cable TV and $315,000 for Solid Waste franchise fees. She projected the following tax revenues:

Utility Tax Revenues
- Telephone - $918,000
- Electricity - $703,500
- Natural Gas - $370,000
- Cable TV - $364,000
- Solid Waste - $185,500

Taxes
- Leasehold - $81,000
- Gambling - $260,500
- Parking - $15,000

Licenses and Permits
- Business Licenses - $91,000
- Crime-free Housing - $276,000
- Building Permits (excluding one-time revenues) - $450,000
- Animal licenses - $45,000
- Other - $14,000

Finance Director Henderson informed Council that the $100 per unit fee for the Crime-Free Housing Program was supported by a review of the actual program costs. One-time building revenues were estimated to be $410,000 for building permits, $111,000 for engineering plan reviews, and $266,000 for plan check fees. She estimated intergovernmental revenues as follows:

- Grants - $94,782
- Local Government Assistance - $0
- New City Assistance - $85,800
- State Shared Revenues - $360,990
- Fuel Tax - $624,667
- Reimbursements - $218,000

Revenue from the gas tax was not included in the intergovernmental estimates as its status was unknown at this time. Finance Director Henderson reviewed the following revenue forecasts for charges for service:

- Engineering (excluding one-time revenues) - $330,000
- Plan/Development - $286,000
- Recreation/Senior Services - $566,175
- Public Safety - $180,000
- False Alarm Fees - $15,000
- Passports/Fingerprinting - $49,500

Finance Director Henderson noted that the projected engineering service revenues reflected an increase in plan review fees.

Mayor Pro Tem Thomasson recommended that building permit revenues be listed on the same chart as engineering services.

Finance Director Henderson reviewed the following 2006 projections for interfund revenues:

- Marina - $600,00
- Surface Water Management - $120,000
- Project Management and Accounting - $198,539
- Equipment Rental Operations – $50,000
- Computer Operations - $18,000
- Self Insurance - $12,000

The projected amount of 2006 fines and forfeit revenues was identified as $250,000.

City Manager Piasecki said that staff was researching whether the decrease in fine and forfeit revenues was due to a decrease in the number of tickets written or due to sentencing trends.

Finance Director Henderson informed Council of the following 2006 revenue estimates:

- Parking fees - $0
- Rentals and Leases - $98,480
- Insurance Premiums - $5,000
- Contributions - $10,000
- Other - $29,150

In closing, Finance Director Henderson estimated the 2006 base revenues to be $13,988,683 and the one-time revenues to be $1,381,470. Staff would present their budget balancing strategy at the next Council meeting.

In response to Councilmember Steenrod's questioning, City Manager Piasecki said that the consultant to develop the conceptual master plan for the Port of Seattle business park would soon be appointed. He estimated a minimum of two years before the City would receive any revenues from the area.

NEXT MEETING DATE - Study Session October 6, 2005

ADJOURNMENT

At 9:41 p.m. **MOTION** was made by Councilmember Benjamin, seconded by Councilmember Sherman and passed unanimously to adjourn.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk

ACTION ITEMS FROM MEETING OF SEPTEMBER 29, 2005

- Research the cause of the police response time to the September 25, 2005 incident.