REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES October 3, 2002

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

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

ROLL CALL - Present: Mayor Don Wasson, Mayor Pro Tem Richard Benjamin, Councilmembers Bob Sheckler (left the meeting at 8:25 p.m.), Maggie Steenrod, Scott Thomasson and Susan White. Absent: Councilmember Gary Petersen (Business Emergency). Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Public Works Director Tim Heydon, Assistant City Engineer Maiya Andrews and City Clerk Denis Staab.

MOTION was made by Councilmember White, seconded by Councilmember Thomasson and passed unanimously, to excuse Councilmember Petersen.

DISCUSSION ITEMS

Pacific Highway South Project - Street Scapes

Public Works Director Heydon noted that since the original design report was approved in 1998 the project design has been further developed. The purpose of this evenings presentation is to give Council an update on the streetscape design for the Pacific Highway South project, seek Council comments and input, and to receive approval for staff to proceed with the final design of the project. He introduced members of the design team from the City's consulting firms: Roger Mason, Eric Houdt, John Owen and Steve Worthy who proceeded to update the Council on the streetscape design of the project reviewing the following:

- Project Limits: North gateway at 216th and Pacific Highway South, South gateway at Kent-Des Moines Road and Pacific Highway South
- Typical Section: 6' wide planter strip, 6' wide sidewalk & 5' to 14' wide median
- Future Project Schedule: R/W Acquired December 2002, Complete Final Design November 2002, Advertise for Construction December 2002 & Construction Complete Fall 2004
- Reduced Island at right turn lane at Kent-Des Moines Road - Pedestrian Safety
- Median Barrier Issues:
  - 5' wide medians will not have trees or light poles - So a 6" high concrete curb
  - 14' side medians will include trees and light poles - So 18" high concrete barrier
- Barrier Design Details & Barrier Treatment Concepts - Waves or Sails
- Sail Wind Vanes in Median & Pedestrian Lighting
- South & North Gateway Design Concepts
- Variety of tree types - evergreen, flowering and fall color. Picked for height at maturity and space issues

Council comments included the following:

- Like colored treatment of metal sails
- Like interesting choice of tree selection, but check to make sure not planted too close together
- Gateway signs:
  - Could use "Welcome" and/or "Waterland City"

Councilmember Steenrod questioned what material the gateway signs and posts are made from. It was noted that they are galvanized steel and vandal resistant.

Upon questioning by Council, the following items were noted:
- Gateway signs will be illuminated
- Small maintainable planting areas exist at the gateway signs

Councilmember Thomasson questioned what provisions were being made for the retention pond areas in regards to sidewalks, and street improvements, including curb and gutter. It was noted that there will be seasonal planting areas, trees and shrubs and irrigation. However, consultant will need to develop sidewalks, curbs and gutters in accordance with City standards.

8:25 p.m. Mayor Wasson called for a 7 minute break. [ED NOTE: Councilmember Sheckler left the Council meeting.]

Redevelopment Plan for Pacific Highway South, South of Kent-Des Moines Road

Assistant City Manager Loch informed Council that Highline Community College has long been interested in a development plan for this area of the Highway, and that the Seattle Sounders are considering the area where Midway Drive-In is located for a new sports facility. He advised Council that University of Washington Professor Rick Sepler through the Graduate Urban Planning Program as a class project, has offered to create a redevelopment plan for the Cities of Des Moines and Kent. He reminded Council that Professor Sepler is the Principal of Madrona Planning, the consulting firm that prepared the majority of the Pacific Ridge Neighborhood Improvement Plan. Assistant City manager Loch felt this would be a good springboard for creating a vision of this area and would create a good partnership with the City of Kent, and Highline Community College. He noted that many of the students are mid-career professionals with useful skills and professional experience. He noted that the cities of Des Moines and Kent would provide general guidance to the students and instructor at various stages of the planning project. The plan would 1) inventory existing conditions; 2) establish a clear vision for the area; and 3) offer policies and strategies for making the vision a reality. He concluded by noting the only cost to Des Moines would be $2,500. He reminded Council that at the time the Pacific Ridge Plan was developed, it was envisioned that "Phase II" would include a plan for the area south of Kent-Des Moines Road. Professor Stepler's proposal is a way to extend the effort to the south and the plan prepared by the students may be very useful to the Cities and Highline Community College.

Councilmember Thomasson expressed concern regarding student expectations. He felt it is important that Council maintain control and review at various stages. He stated that it would be important to have a clear understanding of what might be done with the finished product.

Assistant City Manager Loch assured Council that the product produced is something that the City can keep, use, or throw away, and is under no obligation to institute any final plan.

Mayor Pro Tem Benjamin stated that if this could help the Pacific Ridge area with economic development sooner then he is in favor, but if there is no real application or benefit to the City then he is not in favor. He suggested that perhaps this item should be referred to the Council's Finance & Economic Development Committee for review. He also noted that he shares Councilmember Thomasson's concerns.

Councilmember White stated that it would be good for relations to work with the City of Kent.

Mayor Wasson stated this could be a valuable tool and the City should take advantage of using mid-career professionals with useful skills.

Councilmember Steenrod questioned when the uneven boundaries with Kent could be straightened out. Councilmember Thomasson gave a brief history of the so far, unsuccessful attempt at negotiations with Kent. He advised that Kent annexed areas on the west side of the Highway, long before Des Moines annexed southward. Kent's main concern is they do not wish to give up any commercial revenue, certainly not without compensation in some manner.

City Manager Piasecki noted that he will contact Kent officials to advise them that Des Moines wishes to resume discussions on the boundary issue.

MOTION was made by Councilmember Thomasson, seconded by Councilmember White, that the City Manager be authorized negotiate a scope of work and memorandum of understanding for a land use plan proposal as part of a class project, for the area along Pacific Highway South, south of Kent-Des Moines Road. Motion passed unanimously 5 to 0.

Revenue Forecasts: 2002 Year End and 2003-2004

City Manager Piasecki advised Council he will be providing staff's forecast of operating fund revenues for general, parks and streets, for the rest of 2002 and for 2003 and 2004. He noted that for 2002, staff expects revenues to be $434,320 below what was budgeted, from $13,625,894 to $13,191,573, resulting in a reduction to the ending fund balance for 2002. The last projection for the 2002 ending fund balance was $395,000. Staff is working on a new projection and hopes to increase this figure because of efforts to reduce 2002 expenses. He proceeded to review the following major sources of the 2002 revenue reductions:

Retail Sales Tax - Expected sales tax revenue $110,000 under budget. Slow down in auto sales, particularly used cars in Des Moines, mostly because of great interest rates for new cars.

Local Criminal Justice - Revenue expected $40,000 under budget. This revenue is city's share of King County Sales tax. Slow down in economy most likely cause of reduction.

Gambling - Tax Revenue projected $15,000 under budget. At least one local restaurant has stopped selling punch boards and pull tabs.

Building Permits & Fees - Revenues projected to come in $170,000 under budget. 3 projects at Highline Community College have been delayed until 2003.

Liquor Board Profits - Determined by the Liquor Board and how they allocate profits. Des Moines told to expect $20,000 less than was budgeted.

Recreation Revenue - Expected revenue will be $50,000 below budget. When revenue is received it is used to fund the class. If revenue does not come in, an equal amount of expenditures does not occur.

Transfer from police Drug Seizure - Police expected to have $32,000 to transfer to General Fund to help pay for drug enforcement activities. Revenue coming into the fund has been less than anticipated and the transfer will not be made.

City Manager Piasecki advised that for 2003, staff expects most operating fund revenue sources to stay near 2002 levels with several exceptions. The net affect will be an increase above 2002 operating revenues of $877,130. The following exceptions were noted:

Property Tax - If Council elects to increase property tax collections by the maximum of 1%, collections will go up by $42,000.
Utility Tax - Anticipate collections to go up $54,000 due to anticipated rate increase and continued increased usage of cell phones.
Retail Sales Tax - Anticipate one-time sales taxes of $497,575 related to large school construction projects expected to be permitted in the first quarter of 2003.
Local Government Assistance - State has reduced I-695 backfill from $1,482,120 to $367,000. Staff recommends treating this as one-time revenue.
Building Permits & Fees - Expect historical average of $1.15 million to re-occur made up mostly of the bonded school district projects and the Highline Community College's projects.

City manager Piasecki advised that for 2004, staff has forecasted all revenues to grow at very modest rates, with the exception of one-time revenue from building activity and state shared revenue. The net impact is a reduction in operating revenue of $1,689,094 from project 2003 levels. He noted that staff believes that there will be additional one-time building permit and fee revenue in 2004, but it is too early to tell how much. Also, staff has not included any card room revenue in the 2004 projections or for 2003.

2003 Budget Conceptual Plan

City Manager Piasecki advised that at the September 5, 2002 Council meeting, staff presented a plan to address the projected revenue shortfall in the 2003 budget of $1,802,045. He reiterated that the cause of the shortfall is essentially two-fold: 1) I-695 backfill will be reduced from $1.4 million to $367,00 for 2003 (and most likely nothing for future years); and 2) expenses have been and are projected to increase faster than revenues (4% vs. 2% or approximately $250,000 per year), creating a built-in structural imbalance. He proceeded to review the following:

Cuts & Operational Changes

Operational Efficiencies	$ 192,148
Operational Policy Changes	772,524
Budget Cuts	302,188
New Revenue	18,700
TOTAL =	$1,285,560

Non-sustainable Operational Savings

Defer all PD vehicle replacement in 2003	$120,000
Defer all vehicle replacement in 2003	183,268
Defer computer replacement in 2003	50,000
Legal Department salary savings	11,827
Voluntary removal from health plan	23,000
Voluntary furloughs	33,000
TOTAL =	$421,095

City Manager Piasecki proceeded to review the revised 2003 conceptual budget plan as contained in Council's packet. He advised that the original figure of $643,529 as to savings from operational efficiencies and policy changes has been revised to $964,5672. He further reviewed new figures for the following:

New Revenue $ 18,700
Reserves & One-time Revenue $ 2,008,142
Balance of Shortfall after operation efficiencies/policy

changes & new revenue = ($ 818,673)

City Manager Piasecki detailed cuts through various departments will result in a new estimated savings of $302,188. He also referenced other items contained in Council's packet which included Balance to fund from one-time revenues/reserves after cuts ($516,485), Balance of reserves/undedicated revenues $1,447,401 and total reserves/undedicated revenues 12/31/03 $3,222,401.

9:35 p.m. Mayor Wasson called for a 3 minute break to allow the video tape to be replaced.

Referencing proposed cuts, Councilmember White voiced objection to cutting Legislative travel as she feels that it is important for Councilmembers to meet with other elected officials to exchange ideas and stay abreast of issues of importance.

Mayor Pro Tem Benjamin stated that he feels Councilmembers have a civic duty and must lead by example. He noted he sees no problem with paying for his own gas and expenses to attend local meetings that are of importance.

Councilmember Steenrod informed Council that the Finance and Economic Development Committee has reviewed, and is comfortable with the information provided by the City Manager this evening.

Mayor Pro Tem Benjamin complimented staff for progress on presenting a proposed balance budget for Council's consideration. He stated that the City is being challenged and needs to gear-up to encourage business development which will in turn increase sales tax revenues. He felt that it is imperative for Council to be focussed on local economic development to avoid even worse future financial problems.

<u>Future Agenda Item - Economic Development Presentation</u>
Councilmember Steenrod noted that the Governor held a 2-3 day conference on Economic Development at which no representative from Des Moines attended. She requested that Council set a meeting designated to having a couple of the speakers from the conference to make a special presentation to Des Moines.

City Manager Piasecki advised that he already has committed the October 24, 2002, meeting to be devoted for this purpose.

Councilmember Thomasson noted that there are no funds currently budgeted to help save the Mt. Rainier Swimming Pool. It was noted that so far Kent, Mercer Island, Renton and Issaquah have told King County no, in regards to taking over swimming pools. Tukwila has said yes, but in a trade off for work County will do on a bridge. Federal Way is sending the issue to their voters

<u>MOTION</u> was made by Councilmember Steenrod, seconded by Mayor Pro Tem Benjamin, to accept the City Manager's recommended conceptual plan to manage the projected shortfall in the 2003 budget and to direct staff to continue developing the 2003 budget as outlined in the plan.

Councilmember Thomasson requested that staff positions such as D.A.R.E. and Public Works, should not be shown as long term cuts, but totally eliminated in the 2003 budget.

VOTE ON MOTION: Motion passed unanimously 5 to 0.

Judges Ruling on Recall Petition

Councilmember Steenrod questioned if it would be appropriate, or by what method, could a copy of the Judge's remarks and explanation regarding his recent dismissal of a recall petition concerning four Councilmember's, be entered into the record as an official part of Council minutes.

City Manager Piasecki advised that he will check with the Legal Department.

ADJOURNMENT

MOTION was made by Councilmember Steenrod, seconded by Councilmember Thomasson, to adjourn the meeting at 10:24 p.m. Motion passed unanimously.

Respectfully submitted,

Denis Staab
City clerk