

REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

October 5, 2000

The regular study session of the Des Moines City Council was called to order at 7:35 p.m. by Mayor Thomasson in the City Council Chambers, 21630 11th Avenue South #B.

ROLL CALL - Present: Mayor Scott Thomasson, Councilmembers Terry Brazil, Dave Kaplan, Dan Sherman, Gary Towe and Don Wasson. Absent: Mayor Pro Tem Bob Sheckler (illness). [Editor's Note: Mayor Pro Tem Sheckler's absence excused later in the meeting.] Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, Finance Director Scott McCarty, Budget Accountant Peggy Watson and Deputy City Clerk Angela Chaufy.

DISCUSSION ITEMS

Recognition: "Lights on After School" Programs

Councilmember Towe introduced Pacific Middle School teacher Joe Cail.

Mr. Cail informed Council of the After School Program that is conducted at several area schools. He explained that the purpose of the program was to provide constructive leadership, volunteer, academic and recreational opportunities for students. Mr. Cail cited improved reading level scores as an example of the success of the program.

MOTION was made by Councilmember Towe and seconded by Councilmember Kaplan to recognize Thursday, October 12, 2000, as *Lights on After School* in Des Moines.

Councilmembers Towe, Kaplan, and Brazil expressed appreciation for the services provided by the After School Programs to the community.

VOTE ON MOTION: Motion passed unanimously.

Attendance Excused

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

Year 2001-2002 Operating Funds Revenue Forecast

Finance Director McCarty introduced the subject. He briefly described the current economy and said that its impact to the City had resulted in increased building permits, sales tax, and utility tax revenues. Finance Director McCarty stressed the importance of differentiating between ongoing revenue sources and one-time revenue sources. He explained that the 2001-2002 revenue forecast was based upon the following assumptions:

- Property Tax would increase 3%;
- Initiative 722 would not be approved or would be declared unconstitutional;
- City would receive annual state assistance of \$1,000,000; and
- City would receive \$1,000,000 through permit fees.

Council briefly discussed the potential impacts of the passage of Initiative 722.

Upon questioning, City Manager Olander stated that legal counsel felt that Initiative 722 would most likely be ruled unconstitutional if Initiative 695 were ruled unconstitutional. Therefore, if Initiative 722 passed, staff would recommend that the City join with other jurisdictions to obtain a stay or an injunction upon the implementation of Initiative 722. City Manager Olander noted that the 3% property tax increase was the only proposed rate increase contained within the 2001 Budget.

Finance Director McCarty explained the property tax assessment process. He displayed a chart of the 2000 tax levy distribution. Finance Director McCarty then displayed a chart of the anticipated 2001 General, Street, and Park revenues. He estimated that the 2001 revenues would total \$12,330,000. In an effort to identify the relationship between building permits, on-going revenue, and sales tax for specific projects, Finance Director McCarty compared the one-time and annual revenue streams generated by a \$250,000 single-family house and a \$4,000,000 condominium.

Budget Accountant Watson reviewed the projected utility tax and retail sales tax revenues.

Finance Director McCarty displayed a chart of sales tax revenue sources. He noted that the highest percentages of sales tax revenue for the City were gained through auto sales and repairs (23%), construction (17%), restaurants (16%), and other retail (13%).

In regard to sales tax equalization replacement monies and local government assistance, Finance Director McCarty explained that the State legislature had formed a short-term and long-term task force to study the issue.

Councilmember Sherman asked for a list of the memberships of the two task forces.

Finance Director McCarty displayed a chart illustrating the increase in Building Permits and Fees from 1997 to 2002 (anticipated).

Budget Accountant Watson displayed and briefly described the following graphs:

- State Shared Revenues, 1997-2002
- Park and Recreation Revenues, 1997-2002
- Local Criminal Justice Tax, 1997-2002

Finance Director McCarty then reviewed the following charts:

- Franchise Fees, 1997-2002
- Court Revenue, 1997-2002
- Interest for All City Revenue, 1997-2002
- Cash Flow Amounts
- Annual Funding of Internal Reserve Funds

Finance Director McCarty explained that the court revenue chart did not include the revenue projected to be gained from the traffic team as that program would be tracked separately. He noted that the City hoped to expand their investment options in the next year.

City Manager Olander said that 2001 Budget expense forecasts would be discussed at the next council meeting.

NEXT MEETING DATE

Mayor Thomasson noted the next regular Council meeting will be on October 12, 2000.

ADJOURNMENT

The meeting adjourned at 9:16 p.m.

Respectfully submitted,

Angela M. Chaufy
Deputy City Clerk