

REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

October 7, 2004

The regular study session of the Des Moines City Council was called to order by Mayor Sheckler at 7:37 p.m. in the Council Chambers, 21630 11th Avenue South, Suite B.

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

ROLL CALL - Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Gary Petersen, Dan Sherman, Maggie Steenrod and Susan White. Absent: Councilmember Richard Benjamin. Also in attendance were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Assistant City Attorney Richard Brown, Police Commander Kevin Tucker, Finance Manager Peggy Watson and City Clerk Denis Staab.

MOTION was made by Councilmember Sherman, seconded by Councilmember Petersen and passed unanimously, to excuse Councilmember Benjamin.

DISCUSSION ITEMS:

Domestic Violence Advocate Funding

Mayor Sheckler reminded Council that this is an unfinished business item from the September 30, 2004, Council meeting and asked the City Clerk to read the motion that was on the table when time expired.

MOTION: "That the Domestic Violence Advocate position be funded directly by Court revenues derived by Municipal Court services provided for other municipalities."

Councilmember Steenrod advised that she feels this is an important position and that if some funding is dedicated to the position, then it is less likely to be cut.

Mayor Pro Tem Thomasson advised he cannot support the motion for several reasons and tying things to specific revenues will not hold for the long course. He further noted that there is no new revenue here, it is paying for the Court services that will be used and the Judge will have to work longer to handle the Normandy Park cases. He offered the following substitute motion:

MOTION was made by Mayor Pro Thomasson that the funds be used to pay for the Public Works Director. Motion DIED for lack of a second.

Councilmember White noted that while she supports the domestic violence program, she feels it would be inappropriate for Councilmembers to start earmarking funds for specific items.

Councilmember Sherman stated that he supports the domestic violence program, but has concerns marking a specific revenue source. He noted for the record that he did not suggest that gambling taxes be used to support this program, but that was a suggestion made by City Attorney Marousek. He advised that should this motion fail, he would like Administration to fund the program through general fund revenues.

VOTE ON MOTION: Motion failed 5 to 1 with Councilmember Steenrod voting YES.

MOTION was made by Mayor Sheckler, seconded by Councilmember Steenrod, that the Domestic Violence Program be funded from the 2005 General Fund in the amount of \$50,000.

Councilmember Sherman remarked that the actual cost of the program is unknown, so he would rather have the motion be direction to Administration to make sure it is funded by General Funds with no specific amount included.

City Manager Piasecki stated that the cost could be slightly higher or lower, but \$50,000 is a good figure.

Mayor Pro Tem Thomasson pointed out that the program is already included in the City Manager's recommendations, therefore he can see no point in this discussion. He advised that as Council gets into the heart of the budget, all programs will be weighed versus the revenues that are available. He noted at this point he cannot say that this one program is a higher priority than some other program, and therefore cannot support the motion.

Mayor Sheckler advised that since this particular program has been discussed in some detail he felt it was important to let staff know where Council stands.

VOTE ON MOTION: Motion passed 5 to 1 with Mayor Pro Thomasson opposed.

2005 Budget:

2004 Year to Date Financial Report

Reviewing material presented at the September 30th Council meeting, Finance Manager Watson advised that revenues are below expectations at 58.7% of the budget through August and primarily is attributed to the one time new sales tax and building fees. She noted the following through August:

New Construction Sales Tax	\$174,000 = 18.4% of Budget
Building Fees	\$613,000 = 31.5% of Budget

She advised that the Mt. Rainier High School Construction Project is expected to bring in \$1.6 million in one time revenue. It is estimated that \$300 thousand will come by year-end and the year-end estimate of \$15 million include building fees of \$1.1 million from Highline School District, Walgreen's and Masonic Home. She proceeded to revenue the following year end revenue estimates:

	<u>Year End Estimate</u>	<u>Percentage of Budget</u>
Taxes	\$8,201,515	95.6%
License/Permits	1,913,000	41.2%
Intergovernmental	1,240,129	100.0%
Charges for Services	1,636,325	161.1%
Fines/Forfeits	500,000	96.6%
Interfund	876,700	93.3%
Interest	110,000	31.4%
Miscellaneous	126,080	98.5%

Operating Transfer	715,590	100.0%
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She presented the following year-end expenditure estimates:

	<u>Year End Estimates</u>	<u>Percentage of Budget</u>
Salaries & Wages	\$7,376,254	99.3%
Personnel Benefits	2,263,802	94.5%
Supplies	420,070	99.1%
Other Services	2,380,196	91.9%
Intergovernmental Svcs	631,898	92.2%
Interfund Charges	1,085,617	100.0%
Capital Outlay	216,883	107.7%
Operating Transfer	623,848	83.6%

Upon questioning by Councilmember Sherman, City Manager Piasecki noted that money was moved from the Revenue Stabilization fund to the General Fund to cover a negative cash flow situation with the assumption that certain revenues would come in by the end of the year. He advised that we know the money will come in because we know the projects are going to be built, however if they are not in by the end of the year, when they do come in then we will pay back the loan to the Stabilization fund.

Upon questioning City Manager Piasecki advised that the City's policy is that the fund balance should be 7% of the general operating fund, which would be about \$1 million. He noted that he is going to give Council a proposal that will give the City a sustainable on-going budget, with the direction of Council to provide a budget that has on going expenses matching on going revenue.

Finance Manager Watson continued by reviewing the Marina Revenue Fund noting the year end Unreserved Fund Balance will be a little over \$244,000. She advised that the warm weather this summer contributed to revenue increases, however year end fuel revenues are expected to be 138% of budget. She then reviewed Surface Water Management Operations Fund, noting the cash flow, and advising that it is expected that the ending fund balance will exceed the budget by approximately \$22 thousand.

2005/2006 Revenue Forecasts

Finance Manager Watson began by reviewing the 2005-2006 revenues by source for the General and Street Funds advising that one time revenues have been excluded, in order to focus on recurring revenues:

<u>Base Revenues</u>	<u>2005</u>	<u>2006</u>
Taxes	\$8,123,500	\$8,296,500
Licenses & Permits	617,000	617,000
Intergovernmental	983,733	1,002,109
Charges for Services	896,500	938,500
Fines & Forfeits	500,000	500,000
Interfund Revenues	942,300	942,300
Interest Earnings	44,100	44,100
Miscellaneous	<u>120,580</u>	<u>120,580</u>
TOTAL	\$12,227,713	\$12,461,089

She continued by reviewing

Property Taxes	2005 = \$2,684,000 & 2006 = \$2,730,000
Sales Taxes	2005 = \$2,371,500 & 2006 = \$2,506,000
Local Criminal Justice	2005 = \$ 560,000 & 2006 = \$ 560,000
Franchise Fees	2005 = \$ 591,000 & 2006 = \$ 620,000
Utility Taxes	2005 = \$2,432,000 & 2006 = \$2,444,000
Leasehold Taxes	2005 = \$ 80,000 & 2006 = \$ 80,000
Gambling Taxes	2005 = \$ 342,500 & 2006 = \$ 442,500
Licenses & Permits	2005 = \$ 617,000 & 2006 = \$ 617,000
1 Time Bldg. Activity	2005 = \$2,652,510 & 2006 = \$ 965,600
Intergovernmental	2005 = \$1,114,572 & 2006 = \$1,002,109
Charges for Services	2005 = \$ 896,500 & 2006 = \$ 938,500
Interfund Revenues	2005 = \$ 942,300 & 2006 = \$ 942,300
Fines & Forfeits	2005 = \$ 500,000 & 2006 = \$ 500,000
Interest Gen & Streets	2005 = \$ 44,100 & 2006 = \$ 44,100
Interest Reserve	2005 = \$ 37,000 & 2006 = \$ 37,000
Miscellaneous	2005 = \$ 119,580 & 2006 = \$ 119,580

and concluded by noting General & Street Funds Summary as follows:

Base Revenues	2005 = \$12,227,713 & 2006 = \$12,461,089
One-Time Revenues	2005 = \$ 3,734,849 & 2006 = \$ 2,051,600

2005 Budget Balancing Strategies

City Manager Piasecki began by noting there is a projected negative gap between revenues and expenditures in the amount of (\$3,273,645), with one-time revenues estimated at \$3,634,159. He noted some of the expenditures for permitting staff should come out of this one time revenue source as it reflects income from Building Permits. He proceeded to review the following proposed new revenues that he recommends:

New Court Revenue	\$125,000
Normandy Park Court Serv.	38,000
Animal License Increase	40,000
Rental Property Crime Free Program Fee	283,000
False Alarm Revenue	25,000
Parking Fees (Beach Park and Marina	20,000
Bus License Reg. Fees	25,500
Bus Lic. Head Tax	310,000 (\$75 per employee, including non-profit)
One time only:	
Transfer LID Fund	25,000
Trans. Air Def. Fund	74,000
Interest Reserve Fund	37,000
Increase Indirects	176,900
SJU Concessions	20,000
Increase BASP	33,750
Other Recreation	27,500

Comments from Council regarding the City Manager's proposed new revenues were as follows:
Animal License Increase:

Mayor Pro Tem Thomasson noted that he is not sure that the Animal Control Program should be paid for entirely by licensing. He stated that if only 50% of the people have licensed their animals, they should not have to pay more to cover those who have not bought their licenses. He further noted there will always be animal control issues that has nothing to do with domestic pets.

Business License Registration Fee:

Upon questioning City Manager Piasecki noted that this would be a \$75 fee for businesses that are licensed elsewhere, but come in to Des Moines to do business. Examples could include landscaping services, plumbers, etc. Most would be those that come in and apply for a permit at Community Development.

Councilmember Sherman stated that he would not be in favor of this new fee.

Councilmember Steenrod advised that she would want to see more details on how this would be enforced as she would not want to see the cost passed on to the citizens.

Mayor Pro Tem Thomasson commented that this type of license through the building permit process is pretty routine in most cities and was something he thought Des Moines was already doing.

Business License Head Tax:

Councilmember Petersen commented that he felt this would have a drastic effect on all businesses in Des Moines. He felt this would drive businesses out of Des Moines, rather than keeping them here.

Councilmember Steenrod noted that with emphasis on economic development, this type of tax sends a very bad signal.

Interest Earnings from Reserve Funds:

City Manager Piasecki advised that this would be a policy question to be addressed at a later meeting.

Recreation Programs:

Mayor Thomasson suggested caution when implementing concessions, as we are charging for use of fields, may implement a parking fee, and then possibly charge a concession fee for selling hot dogs does not make sense. Most of the youth sports are trying to raise money to help pay for their programs, not to make a profit. He also felt that if a concession is City run, it would be a policy question.

Councilmember Sherman expressed concern over the high costs of providing recreational programs, such as equipment, personal, lighting, etc. and is not sure that program fees are paying all those costs.

Parks and Recreation Director Thorell commented that the fees charged at Steven J. Underwood Memorial Park are the highest charged in King County.

9:00 p.m. Mayor Sheckler called for a 10 minute break.

City Manager Piasecki continued by presenting his proposed expenditures as follows:

Dept. of Corrections Inc.	\$ 45,000
Reduce Tsf. to MCI	(150,000)
Reduce Tsf. for Debt	(132,988)
Close Pool	(75,000)
Jail Adv. Group Assess.	3,000
Jail Savings	(50,000)
Change Health Care	(188,000)
NW Prop Subscription	4,000
COLA Increase	(172,898)
Dept. Proposals:	
Legislative	(3,750)
Executive	(121,504)
Judicial	(19,600)
Financial Services	(64,511)
Law Enforcement	(428,172)
Engineering/Streets	(301,336)
Community Develop.	(11,567)
Parks, Rec. & Senior	(222,250)
Reorganization:	
Add Maint. Supertdnt.	63,667

City Manager Piasecki reviewed the department proposal cuts in some detail as supplied in Council packets, with Councilmember comments as noted:

Executive:

Mayor Pro Tem Thomasson felt that the neighborhood meetings would be best stopped at this time.

Financial Services:

Mayor Pro Tem Thomasson noted that he is not sure he understands the logic in cutting two medium level full time workers and replacing them with one higher paid worker. He also questioned whether the reduction in hours for two workers are willing, or unwilling, reductions by the employees.

Public Works:

Mayor Pro Tem Thomasson commented that as the Assistant City Engineer becomes fully funded by SWM, that the revenues that position generates need to go into SWM with the position.

Upon questioning by Council as to when more detailed discussion will be held regarding line items, City Manager Piasecki noted that every agenda through the end of the year has a budget discussion scheduled. He suggested that Council go through the process department by department.

Future Meeting Schedules

Mayor Sheckler questioned Councilmembers whether they would be willing to begin future meetings at 7 p.m. There was general consensus that 7 p.m. would be acceptable.

Council concurred that it would be acceptable to have a meeting on November 11th.

Draft Ordinance No. 04-185 Rental Property Crime Abatement Program - 1st Reading

Police Commander Tucker began his presentation by showing a graph of police calls (911) to multi-family complexes within Des Moines for 2003. He displayed a comparison of 128 police calls to a 44 unit apartment complex in 2004, to as little as 3 police calls to 44 homes in the North Hill area. He advised that over the years there has been a continued, and sometimes significant, increase in calls for service at rental properties throughout the City.

Upon questioning by Mayor Pro Tem Thomasson, Commander Tucker noted the types of calls include homicide, shootings, stabbings, shots fired, stolen vehicles, domestic violence, trespassing, and unwanted guests. He advised that the police department has come to the realization that over the last several years some owners and managers are using the police to manage their rental properties. He further noted that 70% of the City's Code Officer's time is spent on rental properties and that the last 10 meth labs in town, 9 were at rental properties and 1 at a motel. He pointed out to Council that the hotel/motel ordinance has actually increased business for that industry, has required less police response time, and he feels this new program can do the same for rental properties.

Commander Tucker informed Council that the program is a nation wide program and has proven very successful.

Community Service Officer Seaberry explained the programs purpose is to teach public safety, to educate the owners, managers and the residents. The objective is to facilitate active management and owners, and to encourage the residents to create a sense of community and a safe living environment. She noted Tukwila, Kent, Renton, Federal Way and King County are all currently using the program successfully. She advised that this is a 3 part program, divided as follows:

Phase 1 - Property owners, managers, and leasing staff receive a minimum 8 hour workshop dealing with tenant screening, property management, working with police department, and legal issues. Receive Certificate upon completion of course.

Upon questioning by Council as to who pays for the Program, Commander Tucker noted that Administration fees are built into the program.

At 10:18 p.m. **MOTION** was made by Mayor Sheckler, seconded by Councilmember Steenrod and passed unanimously, to extend the meeting until 10:45 p.m.

Design Guidelines

MOTION was made by Mayor Sheckler, seconded by Councilmember Sherman, to remove this item from the Agenda and have it rescheduled by the Mayor and City Manager. Motion passed unanimously.

Continued Discussion Draft Ordinance No. 04-185 Rental Property Crime Abatement Program - 1st Reading

Community Service Officer Seaberry continued her presentation:

Phase 2 - An Environmental Design inspection of the property is scheduled to identify potential safety & security issues. Receive Crime Fee Housing Sign for posting.

Phase 3 - Meeting held to inform tenants of the effort of the management team and police department and how they should participate. Crime prevention techniques and practices are presented at these meetings.

Officer Seaberry noted that the Crime Free Program has annual requirements and Phase 2 and 3 must be completed and passed at least once a year to remain an active participant of the Program. In conclusion she noted that the program creates a nice environment where people want to live and property values will increase.

Mayor Pro Tem Thomasson advised that he has numerous questions, not necessarily about the Program, but more the structure of the draft ordinance. He noted one part of the ordinance deals with the business license issue, another part deals with the program and a third part tries to do revenue enhancement. He feels that these three parts are not necessarily dependent on each other. He felt that the revenue enhancement does not need to be tied to the Crime Free Program. He also noted that the proposed fee structure does not show any reward for completing the program, it appears there is no choice or the business license is taken away. He questioned how the City would handle closing an entire apartment complex and relocate its residents just because of poor management.

Councilmember Steenrod noted while she feels this kind of program is excellent, she is not prepared to suspend Council rules to pass on a first reading. She would prefer to hear from some of the people who have gone through the program. She also questioned what is the cost of going through the Program.

Councilmember Sherman noted that on page 2 of the draft ordinance, Sec.2(2) the term "Crime Prevention/Reduction" would be more appropriate than the term 'Crime Free'. On page 3, he felt this should apply to an applicant that "owns more than one rental unit", and Section 5, he felt is way too strict.

Mayor Sheckler noted that it would appear based on Councilmember comments, that the draft ordinance needs to be re-drafted and this could best be handled on the Council committee level.

Councilmember Sherman advised that he is not sure this Program will actually save Police time, but just redirect it. However, he feels the real benefit would be to the community.

10:44 p.m. **MOTION** was made by Councilmember Steenrod, seconded by Councilmember Petersen, to extend the meeting another 5 minutes. Motion passed.

Councilmember Steenrod noted that when the draft ordinance comes back to Council she wants to see the financial impacts to the individual apartment complexes. She expressed concern about harsh language which would prevent an apartment complex from being able to obtain a business license. She agreed with Mayor Pro Tem Thomasson that perhaps this should come back in three separate components.

MOTION was made by Mayor Sheckler, seconded by Mayor Pro Tem Thomasson, to remand the draft ordinance to the Public Safety and Transportation Committee for further review.

Councilmembers were urged to submit other comments to the PS&T committee members.

Councilmember Steenrod requested the Committee address how much money would be brought in and how much it would actually take to handle the program.

VOTE ON MOTION: Motion passed unanimously.

NEXT MEETING DATE

Mayor Sheckler noted that the next regular meeting will be on October 14, 2004

ADJOURNMENT

At 10:49 p.m. Mayor Sheckler adjourned the meeting.

Respectfully submitted,

Denis Staab
City Clerk