REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES October 18, 2001

The regular meeting of the Des Moines City Council was called to order at 7:30 p.m. by Mayor Thomasson in the Council Chambers, 21630 11th Avenue South, Suite B.

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

ROLL CALL – Present: Mayor Scott Thomasson, Mayor Pro Tem Bob Sheckler, Councilmembers Terry Brazil, Dave Kaplan, and Don Wasson. Absent: Councilmembers Dan Sherman and Gary Towe. Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, City Attorney Gary McLean, Finance Director Scott McCarty, Community Development Director Judith Kilgore, Park and Recreation Director Patrice Thorell, Harbormaster Joe Dusenbury, Budget Accountant Peggy Watson, and Deputy City Clerk Angela Chaufty.

MOTION was made by Councilmember Brazil, seconded by Councilmember Kaplan, and passed unanimously to excuse Councilmembers Sherman and Towe from attendance.

CONSENT CALENDAR was read by Deputy City Clerk Chaufty.

1. Motion is to approve the minutes of October 4, 2001.
2. Motion is to authorize Des Moines Legacy Foundation to proceed with the Des Moines Community Center Capital Campaign Fundraising Plan substantially in the form as outlined at the October 4, 2001 Council meeting.
3. Motion is to purchase 1,197 square feet of land and improvements from the Melody Foundation in the amount of $31,329 plus closing costs, and further to authorize the City Manager to sign the Purchase and Sale Agreement substantially in the form as submitted.
4. Motion is to approve an agreement with the Washington State Department of Transportation for the Preliminary Engineering Phase of Overlay on the Pacific Highway South Project and to authorize the City Manager to sign said agreement substantially in the form as submitted.
5. Motion is to approve the selection of Crown Delta Environmental, Inc. to perform the building demolition work associated with the Marina's new Dry Stack Storage Project for $33,590.00 plus Washington State sales tax, and to authorize the City Manager to sign a contract for such services in a form as approved by the City Attorney.

MOTION was made by Mayor Pro Tem Sheckler and seconded by Councilmember Brazil to approve the consent calendar as read.

In response to Mayor Pro Tem Sheckler's request, Harbormaster Dusenbury explained that the Marina crew had been cleaning the sites scheduled for demolition. He noted that the demolition process would be completed in two phases so as to insure the stabilization of the hillside behind the sites. Harbormaster Dusenbury reported that Trout Unlimited had not yet indicated whether they wished to continue their program.

VOTE ON MOTION: Vote passed unanimously.

NEW BUSINESS

Draft Ordinance No. 01-176 - Updating City Business License Code, DMMC Title 5 - 1st Reading

City Attorney McLean noted that the proposed ordinance was drafted in response to Council's direction to provide a procedure for issuing temporary licenses for adult entertainment license applicants. In addition, the proposed ordinance would revise current cabaret licensing procedures. City Attorney McLean explained that currently an establishment was required to obtain an unclassified use permit in order to operate a cabaret. The proposed ordinance would replace the unclassified use permit process with an administrative process. This would streamline the process and reduce the applicant's costs. He noted that the proposed ordinance would only change the application process for cabarets, not the regulation of them. City Attorney McLean questioned whether Council wished administration to draft language that would pro-rate license fees on a quarterly basis based upon the date of application.

Councilmember Brazil stressed that there were no plans for Council to adopt a Business and Operation (B & O) Tax.

In response to Mayor Pro Tem Sheckler's questioning, City Attorney McLean confirmed that the proposed ordinance gave the City Clerk authority to deny or approve a cabaret license application.

Mayor Pro Tem Sheckler recommended that the cabaret applications be approved by the City Manager or designee rather than to the City Clerk.

Council concurred.

Mayor Thomasson said that he was not opposed to delegating the cabaret approval process to staff but asked that a "compatibility with the neighborhood" clause be added to the approval criteria. He felt that the compatibility issue could be important for older buildings.

In regard to the proposed title of Section 2, subsection 6, Mayor Thomasson suggested that the words "temporary" and "license" be put together for the sake of clarity.

In response to Councilmember Wasson's questioning, City Attorney McLean explained that the proposed temporary entertainer license process only pertained to adult entertainment entertainers. He noted that the definitions for various terms were contained within the City Code.

City Attorney McLean recommended that regulations for home occupations, currently contained in Chapter 18 be moved to Chapter 5 so as to consolidate the business license provisions.

Council confirmed that home occupation provisions should be moved to Chapter 5.

MOTION was made by Councilmember Kaplan and seconded by Mayor Pro Tem Sheckler to move amended Draft Ordinance 01-176 forward to a second reading at a date to be determined.

Mayor Thomasson read the title of the proposed ordinance.

Upon questioning from Councilmember Brazil, City Attorney McLean confirmed that Council and staff had spent over one year working on the adult entertainment issue.

Mayor Thomasson asked for a briefing on the current noise regulations as they pertained to cabarets.

VOTE ON MOTION: Vote passed unanimously.

MOTION was made by Councilmember Kaplan to direct staff to draft a resolution regarding the pro-rating of business license fees and to roll back commercial business license fees from $150 to $100 and Home Occupation license fees from $60 to $30.

Motion failed for lack of a second.

Mayor Thomasson asked for additional information regarding the pro-rating of business license fees. He noted that the same service was provided by staff during the business license review process regardless of when the application was filed.

City Manager Olander said that staff had considered recommending the reduction of home occupation fees due to the small, part-time nature of several of them.

In response to Mayor Thomasson's questioning, Councilmember Kaplan confirmed that the intent of his previous motion had been to adjust the business license fees prospectively.

Mayor Thomasson asked that staff bring Council a recommendation for business license fees for next year during the budget process.

Councilmember Brazil asked for a report comparing City of Des Moines' licensing fees and business taxes with those of neighboring communities.

As they have current City of Des Moines' home occupation licenses, Mayor Pro Tem Sheckler and Councilmember Kaplan questioned whether it was appropriate for them to participate in a vote considering whether the home occupation license fee should be lowered.

City Attorney McLean said that it would be appropriate for them to recuse themselves from the vote and he would research whether Councilmember Kaplan could still put forth the issue.

2002 Preliminary Budget - Department Detail Reviews - Debt, Internal Service Funds and Reserve Funds

City Manager Olander introduced the topic.

At 8:20 p.m., Mayor Pro Tem Sheckler left the meeting.

Councilmember Kaplan expressed concern over the potential loss of state funds. He felt that it might be prudent for the City to make cuts in a two step process rather than making one drastic cut.

City Manager Olander explained that state funding was secure through 2002.

Finance Director McCarty reviewed the City's debt overview and debt capacity.

City Manager Olander noted that the ratio was considered favorable.

Finance Director McCarty then led Council in a review of the proposed 2002 budgets for the following funds and departments:

Revenue Stabilization – Fund would be fully funded at the end of 2001 and 2002.
Facility Repair and Replacement
Computer Replacement
Equipment Rental Operations – Expenditures increased due to self-insurance premium increase and second year allocation correction.
Computer Operations – Budget increased due to consolidation of all City software maintenance contracts to one line item.
Self Insurance – Premium increased by 14% due to City's claim history and WCIA's decision to replenish their cash reserves.
Unemployment Fund – Staff will be reviewing the funding mechanism for this fund to insure that the fund is adequately, but not overly, funded.
Legislative – Budget decreased as no King County Election services fees are anticipated in 2002.
Executive
Records Services
Personnel
Printing, Duplication and Communications
Finance – Budget was reduced due to the completion of utility tax audits performed by Microflex but increased due to the increase in salaries and benefits.

In regard to the Self-Insurance Fund, City Manager Olander noted that the program structure of Washington Cities Insurance Authority (WCIA) remained in good shape. In light of the September 11, 2001 terrorist events, WCIA did not anticipate any impact to the liability side of their operations but said that the property side might be increased.

Councilmember Kaplan asked for information regarding Workers Compensation. He said that the City might want to consider becoming self-insured for Workers Compensation.

Finance Director McCarty informed Council that the City was required by the Governmental Accounting Standards Board (GASB) to implement a new accounting standard beginning January 1, 2003. This standard would require the consolidation of the financial statements and the identification of all infrastructure assets.

Mayor Thomasson requested that study sessions be scheduled to educate Council on the new GASB regulations and procedures.

At 9:08 p.m., Mayor Thomasson declared a seven-minute break.

Finance Director McCarty continued review of the following proposed departmental budgets:

Miscellaneous Dues and Services – Suburban Cities Association were not yet finalized.
Community Development/Plan Development – A request for a new staff car was included in the proposed budget.

Community Development/Development Services – ACC Senior Environmental Planner position deleted.
Building
Park and Recreation/Administration – Budget increased as one half of the Administrative Assistant position was previously budgeted in Recreation Programs.
Park and Recreation/Operations – Proposed budget includes purchase of new banners.
Park and Recreation/Programs – One half of the Administrative Assistant position moved to Administration's budget. The proposed budget also includes the purchase of tables, chairs, and basketball hoops.
Senior Services
Senior Services Programs – Budget proposes an increase in Senior Program Attendant hours.
All City Buildings
Human Services

Community Development Director Kilgore projected the department's 2002 revenues to be $905,349.

Upon questioning, Park and Recreation Director Thorell explained that the new sports fields located on Highline School District property were to be maintained by the school district. She noted that the development of the new sports park, however, would impact the workload of the Parks crew.

City Manager Olander voiced concern over staff shortages in the Park Maintenance, Street Maintenance, and accounting divisions. He noted that the Park and Recreation Director was researching the costs associated with contracting for maintenance services.

City Manager asked Council to contact himself, the Finance Director, or the Budget Accountant with any questions concerning the proposed budget.

<u>NEXT MEETING DATE</u> - Regular Meeting October 25, 2001

<u>ADJOURNMENT</u>

The meeting adjourned at 9:42 p.m.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk