REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES October 28, 2004

The regular meeting of the Des Moines City Council was called to order at 7:06 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 (arrived at 7:36 p.m.), Gary Petersen, Dan Sherman, Maggie Steenrod and Susan White. Also in attendance were City Manager Tony Piasecki, City Attorney Linda Marousek, Finance Director Paula Henderson, Police Chief Roger Baker, Court Services Manager Jennefer Henson and City Clerk Denis Staab.

COMMENTS FROM THE PUBLIC

Paul Kalchik, 2400 South 240th Street

Mr. Kalchik addressed Council as a member of Highline Community College Student Government, concerning rumors that Council is considering instituting a "head" tax and a Parking Tax. He expressed concern that additional taxes would be passed on to students in the form of higher tuition costs. He spoke in support of affordable education and requested more information.

City Manager Piasecki advised that a "head" tax would not be applicable to schools.

Mayor Sheckler further noted that Council has made no final decisions regarding the budget.

Keith Walde, Stafford Health Care Center, 2800 South 2224th Street

Mr. Walde advised that the Stafford Health Care Center relies on State and Federal Medicare funds and has no fluff in their budget. The Center would have no way to pass additional taxes on to their patients so their only choice would be to reduce health care that is being provided to predominately elderly patients. He requested that facilities that are impacted by any proposed increase in taxes be given an opportunity to comment.

Wayne Bader, 21938 Marine View Drive

Mr. Bader requested additional time to address Council over the allotted three minutes.

Due to the number of agenda items, Mayor Sheckler said that all comments must be limited and no additional time can be granted.

Mr. Bader declined to comment.

Russ Akiyama, Judson Park Representative, 23600 Marine View Drive South

On behalf of residents at Judson Park as well as Wesley Homes and the Masonic Home, Mr. Akyama spoke in opposition to the City imposing a "head" tax. He noted these retirement homes are non-profit and provide for senior housing. He advised that the establishments do a lot for the community by supporting local drug stores, grocery stores and restaurants. He concluded by noting while he appreciates the need of the City to balance the budget, it should not be at the expense of senior citizens.

Josh Oakley, Highline Community College Student, 32416 12th Avenue SW

Mr. Oakley, speaking in opposition to a "head" tax, noted that the increased expense will hurt students and employees alike, as increased costs are passed on to them, in turn they will decrease their spending.

BOARD & COMMITTEE REPORTS

Higher Education Funding

Councilmember Steenrod reported attending a seminar at the University of Washington, to kick off a fund raising drive to attract funds to the University. She advised that our State is lagging way behind comparable states in funding higher education. She noted that a lot of the benefits that citizens realize come from research institutions such as the U of W, which has fallen way behind in receiving State funding. She encouraged citizens to vote on an upcoming ballot issue that will impact college funding by the State.

Puget Sound Regional Council

Councilmember Steenrod reported that the PSRC and the Economic Development Council are partnering with major state corporations to sponsor "Prosperity Partnership" which is a drive to create 100,000 new jobs in the State of Washington. She advised she will be attending a meeting on November 19th and will bring back and share the information with Council.

Preliminary 2005 Budget

Councilmember Steenrod encouraged citizens to e-mail and write Councilmembers with suggestions and feed back on how to balance the upcoming budget.

Association of Washington Cities

Councilmember Sherman reported attending a regional meeting last night with City Manager Piasecki. The meeting was to update members on issues that are facing the State in the upcoming year. The big issues are funding transportation needs, health care costs and stream lining sales taxes. He noted that he expressed his concerns with rising health care costs and spoke in favor of coverage for basic care so that insurance policies may become more affordable. He noted that the issue of site source tax was discussed but AWC has no recommendation to the State Legislature.

Passenger Ferry Service

Councilmember White reported that she along, with Mayor Sheckler and several staff members, attended the Puget Sound Passenger Ferry Coalition Steering Committee meeting on October 19th to study ways to increase water transportation. She noted that San Francisco gave a presentation on their successful efforts. She advised that she will pursue the proposals to keep Des Moines in the process.

Historic Designation

Councilmember White advised that she is continuing to pursue the historic designation for the Beach Park.

Public Safety and Transportation Committee

Mayor Pro Tem Thomasson reported that the Committee met earlier this evening to continue work on the rental housing program and it will likely come before Council next week for comments. The Committee also reviewed the alarm registration draft ordinance which is on tonight's agenda. He noted there are a couple of policy questions that the whole Council will need to review and provide direction to staff.

COUNCILMEMBER COMMENTS

King County Landmarks Commission Appointment

Councilmember Steenrod voiced her support for the Mayor's appointment of Carmen Scott to the Commission which is on tonight's consent calendar.

Highline Community College Students

Councilmember Steenrod thanked the students for attending and expressing their views under comments from the public. She questioned why the College would not be impacted by a proposed "head tax" when other non-profit organizations would be.

Citizen Budget Suggestions

Councilmember Steenrod noted several budgeting items suggested by a citizen as follows:

- Take budget down to what is required by law, maintaining reserves.
- Do not move unspent funds from one budget to another. Make all departments stay within their means.
- Reconsider all funds being allocated, but not yet spent. Wait and hopefully times will get better.
- Eliminate all possible small expenses.
- Examine all contracts for possible cancellation.
- Ask for donations from citizens for landscaping, computer replacement, etc., things that the public could participate in.
- Don't contract or make agreements unless the cash is there.
- Give bonuses instead of raises wherever possible.
- Decrease benefits.
- Don't assume, or base any expenditure on anticipated revenue.
- Don't stifle economic growth through regulations and increase fees.

She encouraged citizens to send budget ideas to Council for consideration

Budget Issues

Councilmember Sherman noted that approximately two weeks ago there was 3 shootings in Des Moines, and recently a church was desecrated, he felt that these are reminders that we need to maintain the City's police services. He advised that he will support whatever taxes are needed to maintain police so people do not have to be afraid to go to the supermarket at night. He stated he was pleased to see representatives from Highline Community College and a nursing home. He pointed out that all the people who attend the schools and visitors to the retirement homes all use the City's roads and police. He further reminded everyone that the schools and the non-profit groups pay no property taxes, while utilizing services that someone has to pay for.

Budget Issues

Councilmember White agreed with Councilmember Sherman. She noted that Council has a difficult task ahead of them in regards to the budget and employees are very demoralized. She encouraged citizens to attend Council meetings, and until Council has made decisions, do not believe everything that is in the newspapers.

ADMINISTRATION REPORTS

Chip Seal Program

City Manager Piasecki advised that the chip seal program has not worked as well as hoped and in fact, the product is failing. He stated that the City has invoked the warranty provisions of the contract and have worked out an agreement with the company that installed and the company that provided the material. A proposal for what they are going to do and how they are going to it should be available in February and he will report further at that time.

Pacific Highway South Improvement Project Ribbon Cutting Ceremony

City Manager Piasecki announced the ribbon cutting ceremony is scheduled for Tuesday, November 16th at 2 p.m. at the southwest corner of South 216th and Pacific Highway South.

Shoreline Master Program Update Open House

City Manager Piasecki advised that the open house will be held in the Council chambers next Monday from 5:30 p.m. to 7 p.m. An invitation has been sent to those who own shoreline type property.

City Shootings

City Manager Piasecki announced that a suspect has been arrested in one of the shootings that involved a murder.

7:36 p.m. Councilmember Benjamin joined the meeting.

CONSENT CALENDAR was read by City Clerk Staab.

1. Motion is to approve the regular and special minutes of September 30, 2004, and regular minutes of October 7, 2004.

2. Findings: Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the City Council.

Motion: As of this date the Des Moines City Council, by unanimous vote, does approve for payment those vouchers and payroll transfers included in the above list and further described as follows:

Claim checks #96340 through #96532 & electronic fund transfers in the total amount of $392,224.19

Payroll fund transfers in the total amount of $360,850.46

~~**3. Motion is to set a public hearing on amendments to Des Moines Comprehensive Plan on November 18, 2004.**~~ [ED Note: Removed by Mayor Pro Tem Thomasson.]

4. Motion is to confirm Mayor Sheckler's appointment of Carmen Scott as a special member to the King County Landmarks Commission for a three year term.

~~**5. Motion is forward Draft Ordinance No. 03-069, to establish and levy a 1% Lodging Tax, to the Lodging Tax Advisory Committee for a 45 day review and comment period. After the 45 day review and comment period, final decision and action on Draft Ordinance**~~

~~**No. 03-069 will be made by City Council.**~~ [ED Note: Removed by Mayor Pro Tem Thomasson.]

~~**6. Motion is to approve the agreement for Midway Park Improvements with Mayer Construction Co., Inc. in the amount of $175,500.00 plus tax, and authorize the City Manager to sign the contract substantially in the form as submitted, and to authorize the City Manager to approve change orders in amounts not to exceed 10% in total.**~~ [ED Note: Removed by Mayor Pro Tem Thomasson.]

Councilmember Steenrod noted that the Rotary Club has volunteered to install the play equipment for the Midway Park Improvements (Consent Item #6) as it will save $12,000.

Mayor Pro Tem Thomasson requested that Consent Items #3, #5 and #6 be removed from the Consent Calendar.

MOTION was made by Mayor Pro Tem Thomasson, seconded by Councilmember Steenrod and passed unanimously, to approve the remainder of the Consent Calendar as read.

Removed Consent Item #3 - Set Public Hearing on Comprehensive Plan Amendments

Mayor Pro Tem Thomasson noted that he would like to know what amendments will be considered.

City Attorney Marousek advised that Council must hold a hearing required by State Law by December 1st to consider appropriate amendments.

Mayor Pro Tem Thomasson voiced the opinion that the amendments should have been included with the motion to set the hearing so that Council could begin deliberations. He also spoke against having this hearing during this time of the year when Council is in the middle of budget issues. He requested staff consider in the future that amendments to the Comp Plan be done in July rather than December. He also suggested amendments be considered one at a time so as to not be dealing with numerous amendments all at one time.

Upon questioning by Councilmember Sherman, City Attorney Marousek reiterated that State Law requires that the City review and finalize amendments to the Comprehensive Plan this year by December 1st. She noted that there are many amendments that need to be made to be in compliance with the Growth Management Act.

City Manager Piasecki noted that the Community Development Director has informed him there are number of “tweaks” to the Comp Plan, but nothing major.

Community Development Director Kilgore advised that requests for amendments are not due until June 30th. She noted that this being the 7th year of the Plan cycle, we are required to file amendments with the State by December 1st or the City will be subject to a Growth Management Hearing appeal if someone should so desire. She also advised that we are required to give a 60 day notice to the State Agency. She noted that the Comp Plan has been 90% completed since early September. She informed Council that she hopes to have the amendments to Council early next week to allow for an extended review period, and she will have a detailed packet so Council can follow step by step all the changes that need to be made. She noted the largest change was in the Conservation Element to prepare for revisions to the Sensitive Areas Ordinance that the City is required to do. She noted that main changes are cleaning up the language and word smithing and there will be no changes in zoning or land use.

Mayor Pro Tem Thomasson stated that he would like to see the whole process start earlier so Council could be dealing with the public hearing in September rather than during budget time.

MOTION was made by Councilmember Sherman, seconded by Councilmember White to set a public hearing on amendments to the Des Moines Comprehensive Plan on November 18, 2004. Motion passed unanimously.

Consent Calendar Item #5 - Forward Draft Ordinance No. 03-069 to Lodging Tax Advisory Committee for Review & Comment

Mayor Pro Tem Thomasson expressed disappointment that Council has not discussed the contents of the ordinance in terms of whether we should or should not do a lodging tax. He felt part of Council's motion should be to pass the draft ordinance on to a second reading to a date certain, so if the Committee does not respond in a timely manner, it will be Council's call whether to act on the measure. He noted that he would have preferred a staff presentation on what the tax is about, how it works and what it can be used for. He requested such a presentation be given to Council prior to the 45 day period that the draft ordinance will be reviewed by the Advisory Committee.

Councilmember Benjamin advised that he is comfortable as this item has been discussed at length and will be a tool that uses taxes for tourism without affecting residents, but is beneficial to economic development. He would be in support of a briefing.

Councilmember Sherman noted that this ordinance will invoke a tax against visitors who are staying in hotels and motels, and will be beneficial to the City. He noted that since the City has limited lodging he does not feel the City will generate a lot of money, but may be able to join larger cities efforts to promote tourism, at a reduced rate. He also noted that Council has the ability to suspend Council rules and act on the ordinance at the appropriate time.

MOTION was made by Councilmember Sherman, seconded by Councilmember Benjamin, to forward Draft Ordinance No. 03-069 to establish and levy a 1% Lodging Tax, to the Lodging Tax Advisory Committee for a 45 day review and comment period. After the 45 day review and comment period, final decision and action on Draft Ordinance No. 03-069 will be made by the City Council.

Councilmember Steenrod stated that she would like to see some reference contained in the draft ordinance as to where the money goes, and felt this something that the Advisory Committee may wish to address.

City Manager Piasecki advised that this is a two part process. First is a review of the imposition of the tax, and then the Council can impose it or not. Second, there is another process to go through to decide how the money is spent.

Parks and Recreation Director Thorell further advised that an application process will need to be developed so that projects will have to apply for the use of the funds. She noted that the Advisory Committee will review proposed applications and make recommendations to the Council for final determination of distribution of the funds.

VOTE ON MOTION: Motion passed 6 to 1 with Mayor Pro Tem Thomasson opposed.

Consent Calendar Item #6 - Midway Park Improvements - Award of Contract

Mayor Pro Tem Thomasson noted that last year, Council had determined that improvements needed to be undertaken at Midway Park. However, this year Council is considering closure of some City parks and he does not know if this is one of the Parks that Council will choose to close. Therefore, he questioned how much of a capital program should be moved forward and expend funds when Council is in the process of talking about significant cut backs to both staffing and funding activities. Therefore, he cannot at this time award this capital project, while Council is going through the process of cutting the budget.

Councilmember Sherman pointed out that the City's share is approximately 10% of the total amount. However, he felt Mayor Pro Tem Thomasson's point is well taken if it is decided to close this Park. He requested clarification as to whether the reprogrammed amounts from the King County Youth Sports Facilities Grant, CDBG and others will be lost if Council does not act on this project.

Parks and Recreation Director Thorell responded that the reprogrammed money must be spent this year or it will be lost which amounts to $116,670 and the King County Youth Sports Facility Grant in the amount of $50,000 would also be lost. In regards to the potential closure of Midway Park, she noted she would not recommend that for the following reasons.

1. There is a population of 3,000 citizens in that neighborhood who are cut-off from the rest of Des Moines by Pacific Highway.
2. There are no other recreational resources in that neighborhood which is a very dense multi-family area and is served by no schools.
3. Recommending closure of this Park would be detrimental to the community.

Councilmember Benjamin felt that this neighborhood is probably the neediest area in the entire City and would truly benefit from these Park improvements. He felt it could possibly reduce crime in the neighborhood by giving citizens a place to expend some positive energy. He felt this is a good investment for the neighborhood and the entire community.

Councilmember White agreed that this is an area that would benefit from the Park improvements and she does not want to lose the available funding.

MOTION was made by Councilmember White, seconded by Councilmember Petersen, to approve the agreement for Midway Park Improvements with Mayer Construction Co., Inc., in the amount of $175,500.00 plus tax, and authorize the City Manager to sign the contract substantially in the form as submitted. And to authorize the City Manager to approve change orders in amounts not to exceed 10% in total. Motion passed unanimously.

OLD BUSINESS

Preliminary 2005 Budget

Councilmember Benjamin requested that the Parking Tax issue be placed on the November 11th Agenda as well as the November 4th Agenda as a couple of Councilmembers will not be in attendance at the Nov. 4th meeting.

Councilmember Sherman felt it is important to keep moving forward with the budget issues as there is a limited number of meetings left in the year.

Mayor Sheckler advised that he will meet with the City Manager tomorrow morning to review future agendas and will advise Councilmembers.

Finance Director Henderson noted one option for Council to consider for new revenues would be a utility tax on SWM fees. She noted that staff has determined that the utility tax on cable TV is not restricted to 6%, but all utility taxes must be uniform so as to not unduly discriminate against cable operators and subscribers. Therefore if Council were to enact a utility tax on the SWM fees in an amount in excess of 6%, then if Council chooses to do so, could also increase the cable TV utility tax without requiring a vote of the people.

Upon questioning, City Manager Piasecki advised that a "head tax" would not bring in quite as much money as a B & O tax would, but a "head tax" would be more uniform. The B & O tax would be an option in lieu of a "head tax".

Mayor Sheckler advised that he feels there is Council consensus to drop the business license "head tax" and concentrate on a B & O tax proposal.

Councilmembers Benjamin and Steenrod advised that they would not support either a B & O tax or a "head tax".

Mayor Pro Tem Thomasson noted that a B & O tax would be a tax based on the same methodology that the State tax is based on, whereas a "head tax" would be a regulatory fee based on the number of employees.

Finance Director Henderson proceeded to review individual department operating budget information that is being proposed for 2005 as detailed in Council's packets. The information also included other cuts not included in the City Manager's recommendations. Comments and action were as follows:

LEGISLATIVE
<u>Council Retreat</u> - <u>**MOTION**</u> was made by Councilmember Steenrod, seconded by Councilmember Benjamin, to hold any retreat locally, and to eliminate any out of town retreat and associated costs. Motion passed 4 to 3 with Councilmember White, Mayor Pro Tem Thomasson and Mayor Sheckler opposed.

EXECUTIVE
<u>Neighborhood Meetings</u> - MOTION was made by Mayor Pro Tem Thomasson, seconded by Councilmember Sherman to eliminate these meetings. Motion was WITHDRAWN.

Council's consensus was to eliminate the neighborhood meetings.

<u>City Currents</u> - Consensus was to reduce to 2 issues.

8:53 p.m. Mayor Sheckler called for a 10 minute break.

Mayor Sheckler requested that the department reviews continue with respective Department Heads explaining cuts and what services will be effected.

JUDICIAL
Salaries & Wages - Judge being added as an employee accounts for 59% of the increase.

No changes recommended by Council at this time.

FINANCIAL SERVICES
Eliminate Two Staff Accountants & Add Senior Financial Analyst - Finance Director Henderson commented that she needs someone with more expertise, extensive governmental accounting to support her and the Finance Manager.

One staff accountant has left. Worked with project close-outs reports to State, year end capitalization, back-up for payroll.

Mayor Pro Tem Thomasson felt that with one staff accountant being gone is an adequate cut and he would not recommend cutting the other position.

Accounts Payable Coordinator 1.00 to .80 - Position volunteered reduction.

Senior Accounting Specialist .80 to .75 - Position did not volunteer reduction and will lose benefits.

Mayor Pro Tem Thomasson spoke in opposition to reducing the Sr. Accounting Specialist's hours. Council concurred.

In regards to CIP projects, Mayor Pro Tem Thomasson requested that in the future CIP projects be charged for financial services. City Manager Piasecki advised that the Finance Director will check to see if an overhead charge can be added for Accounting Services.

LEGAL
No proposed cuts.

City Attorney Marousek reminded Council that in 2003 she took about $20,000 in voluntary cuts through administrative efficiencies.

Cuts not Recommended by City Manager - She noted that the Assistant City Attorney did about $400,000 worth of legal work on the Pacific Highway South project in his first year. She noted that if the position was cut by 50% the work he has been performing in drafting ordinance for the Police Dept. would had to been done by that department. She further noted that he is now working with public disclosure requests and if he did not do that, City departments would be required to attend training and handle these requests on their own.

Mayor Pro Tem Thomasson requested that projects worked on by the Legal staff, be charged appropriately to recapture some of the costs, especially when they may be grant eligible.

City Attorney Marousek informed Council that contracting for outside legal services on the level now existing would cost around $712,000.00. The cost for a phone conversation with outside legal counsel would be around $200 an hour.

Councilmember Steenrod recommended cutting the paper law library and cut approximately $15,000 for outside counsel.

Councilmember Sherman spoke against any more cuts to legal, including the paper law library.

Upon questioning, City Attorney Marousek stated that the paper law library is used regularly by the Judge, court staff, building officials, community development and engineering.

LAW ENFORCEMENT
Police Chief Baker noted that the City Manager's recommended cuts of four Patrol officers, one Records Specialist and the Evidence Technician will mean a change in service levels in some areas. He informed Council that the crime rate is up from last year by nearly 10%. He noted the following changes would need to occur:

<u>Cut 4 Patrol Officers:</u>

Reorganize staffing of shifts. Some investigation, some follow up investigations are not going to get done. Some calls for service would have to delayed or eliminated. He noted that some efficiencies would include do a better job of screening calls, delaying or changing response to calls such as having citizens come in to file reports.

Reduced personnel would impact work with other agencies.

<u>Evidence Technician</u>:

This position ensures that one person is fully accountable for evidence and property. Feels this a key position. With the position eliminated, it will have to shared by investigators, or take one-half of a sworn officers time to handle all evidence and property.

<u>Records Specialist</u>:

Works with other specialists to provide 24 hour service to the department by citizens. This would have to be changed and the department would be open to the public only during certain hours. However, there needs to be someone in the department to respond to officers calling in to confirm warrants or other status reports without having to come in from the field to do it.

Upon questioning, Chief Baker acknowledged that the department would be better suited to reduce one more patrol officer and keep the evidence technician and the records specialist.

10:23 p.m. **<u>MOTION</u>** was made by Councilmember Benjamin, and seconded, to extend the meeting to 10:45 p.m. Motion FAILED 4 to 3 with Councilmember Sherman, Mayor Pro Tem Thomasson and Mayor Sheckler opposed. (Requires super majority vote.)

Mayor Pro Tem Thomasson noted that so far, Council has not made any meaningful cuts, and felt that Law Enforcement may be one area where Council may need to make deeper cuts in order to balance the budget.

Assessment of Permitting Process by Demarche Consulting - Administration Response

The purpose of this agenda item is to respond to the Demarche Consulting business assessment of the permitting process and to request authorization to negotiate a scope of work for Phase II of the project.

MOTION was made by Councilmember White, seconded by Councilmember Sherman, to reschedule this item for early next year. Motion passed 6 to 1 with Councilmember Benjamin opposed.

NEW BUSINESS

Draft Ordinance No. 04-194 Alarm Registration & False Alarm - 1st Reading

Mayor Pro Tem Thomasson informed Council that the Public Safety and Transportation Committee has briefly discussed this item and needs to know if Council is willing to do this program. He noted that the PS&T members have some concerns over the onerous fee structure. He requested the City Manager poll Councilmembers on support.

Councilmember Sherman acknowledged that this draft ordinance is among several proposed programs that would help increase revenues around $330,000, which amount would equal about four police officers. If these new revenues are not approved by Council then he feels police positions will need to be cut.

It was noted this item will be on the November 4th Agenda.

NEXT MEETING DATE

Mayor Sheckler announced that the next meeting will be a study session on November 4, 2004 at 7:00 p.m.

ADJOURNMENT

At 10:30 p.m. meeting adjourned as time expired.

Respectfully submitted,

Denis Staab
City Clerk