REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES November 1, 2001

The regular study session of the Des Moines City Council was called to order at 7:33 p.m. by Mayor Thomasson in the Council Chambers, 21630 11th Avenue South, Suite B.

ROLL CALL - Present: Mayor Scott Thomasson, Mayor Pro Tem Bob Sheckler, Councilmembers Terry Brazil, Dave Kaplan, Dan Sherman, Gary Towe and Don Wasson. Also present were City Manager Bob Olander, Assistant City Manager Tony Piasecki, City Attorney Gary McLean, Finance Director Scott McCarty, Public Works Director Tim Heydon, Assistant City Engineers Maiya Andrews and Loren Reinhold, Parks and Recreation Director Patrice Thorell and City Clerk Denis Staab.

DISCUSSION ITEMS

Property Purchase for Pacific Highway South Project

MOTION was made by Councilmember Kaplan, seconded by Mayor Pro Tem Sheckler, to purchase 1,749 square feet of land with improvements from Roy Edwin Dunn in the amount of $46,473 plus closing costs, and further to authorize the City Manager to sign the Purchase and Sale Agreement substantially in the form as submitted.

Upon questioning by Council, Assistant City Engineer Andrews advised that the business would not lose any parking spaces.

Councilmember Kaplan advised that the son of this land owner is his next door neighbor. He further noted that he has had no contact from anyone regarding this land purchase.

City Attorney McLean inquired of Councilmember Kaplan as to whether he had any personal or financial interest in this transaction. Response was in the negative. City Attorney then inquired whether he felt he can impartially participate and Councilmember Kaplan responded in the affirmative. City Attorney advised that there is no conflict and Councilmember Kaplan may participate.

VOTE ON MOTION: Motion passed unanimously.

Preliminary 2002 Budget Continued Review

Finance Director McCarty proceeded to continue review the 2002 Preliminary Budget issues as follows:

AIRPORT DEFENSE

Revenue		
1% Utility Tax	$356,000	
ACC Reimbursement	80,358	Salary & Benefits (ACC Administrator)
Transfer from General fund (Note 1)	200,000	
	$636,358	
Expenditures	($628,899)	
Cash Available as of 12/31/02	$ 7,459	

Finance Director McCarty noted that as budgeted, the 12/31/01 projected $1.3M unreserved, unrestricted General Operating Fund Balance is being used to 1) payoff the existing $925,000 Key Bank Letter of Credit and 2) supplement $200,000 in one-time legal services included in the 2002 budget.

UNEMPLOYMENT COMPENSATION FUND ASSESSMENT RATE DECREASE
Per Council direction, Finance Director McCarty advised that staff has researched the current wage assessment rate of 0.73% and feels the existing rate is too high given the City's unemployment claim activity since 1996. Using a annual claim payment amount of $20,000 to calculate the assessment rate, staff would recommend setting the rate at 0.25% and leave the existing cash balance in the fund.

Council discussion ensued, wherein several members expressed concern regarding potential decrease in future funding from the State and county, and would prefer a more cautious reduction at this time. The majority of Councilmembers expressed the opinion that the assessment amount should be reduced to 0.50%.

CAPITAL IMPROVEMENT PLAN - MUNICIPAL CAPITAL IMPROVEMENTS Years 2002-2003

Total Debt Revenue	$ 65,000
Total General Revenue	780,000
Total Project Specific Revenue	1,459,084
TOTAL REVENUE	$2,304.084

EXPENDITURES	*Year 2002*	*Year 2003*
Projects Continued from Prior Year For 2002	$1,499,149	
New Projects	911,716	$1,075,772
Total Project Expenditures	$2,410,865	$1,075,772
Total Debt/Operating Transfers	$ 519,351	$ 543,643
TOTAL EXPENDITURES	$2,930,216	$1,619,415

With the use of view foils, Parks and Recreation Director Thorell reviewed proposed improvements to the Steven J. Underwood Memorial Park Phase I.

CAPITAL IMPROVEMENT PLAN - ARTERIAL STREETS
Assistant City Engineer Andrews proceed to review the Pacific Highway South Project, noting that the design is approximately 75% completed, but noted challenges will include Puget Sound Energy unknown charges for relocation and undergrounding which may have budget impacts. She proceeded to review 16th Avenue South noting budget changes, project benefits and the present status. She concluded her presentation by reviewing the Arterial Maintenance Program.

During discussion regarding the Arterial Maintenance Program, Councilmember Kaplan suggested some items, such as the North Wing City Hall Remodel, be postponed to ensure this program stays fully funded.

Councilmember Sherman remarked that he personally wants to be sure the sidewalks are completed at the Woodmont Elementary School.

City Manager Olander remarked that in general these types of budgeting problems are a state-wide concern. He felt Council's options will be narrow, but staff will have some options prepared for Council's review at the next meeting.

Finance Director McCarty reviewed the following:

Total Project Expenditures	2002 - $ 22,889,157	2003 - $ 6,691,656
Total Debt Service	2002 - 25,881	2003 - 50,639
Total Transfer	2002 - 114,975	2003 - 120,724
TOTAL EXPENDITURES	2002 - $ 12,030,013	2003 - $ 6,863,019
Total General Revenue	2002 - $ 866,750	2003 - $ 907,100
Total LID Revenue	2002 - -0-	2003 - 25,000
Total Project Revenues	2002 - 10,938,719	2003 - 5,582,264
TOTAL REVENUES	2002 - $ 11,805,469	2003 - $ 6,514,364

9:17 p.m. Mayor Thomasson called for a 10 minute break. Mayor Pro Tem Sheckler left the meeting.

SURFACE WATER MANAGEMENT

OPERATING BUDGET - Finance Director McCarty informed Council that staff estimates 2002 revenue of $1.2M. He noted that the 2002 budget includes a 2.42% rate increase in storm drainage fees as defined by the Municipal code. This would increase the annual single family home fee to $78.90 from the current $77.04 per year.

Assistant City Engineer Reinhold reviewed the Marine View Drive Project. He noted in particular that the culvert was built in the 1920's and is now dilapidated and can no longer convey the peak storms and acts as a fish barrier. He advised that it will need to be replaced or upgraded whether the bridge is built or not.

With the use of a view foil, Assistant City Engineer Reinhold detailed the 10th Avenue South Culvert Project. He noted the intersection improvements that would also include sidewalks.

Public Works Director Heydon and Finance Director McCarty reviewed the following:

Revenue	2002 = $1,200,000	2003 = $1,230,000
Total Operating Expenses	2002 = (863,447)	2003 = (899,442)
REVENUE/OPERATING EXPENSES	2002 = $ 336,553	2003 = $ 330,558

Mayor Thomasson noted that the Draft Master Transportation Plan will be coming before Council within the next few months and its major recommendation is to have Transportation Impact Fees. He questioned if that impact fee were in place, could 16th Avenue South be funded with such revenues, and put back the overlay program. Or, we could do the overlay program and make 16th Avenue South dependent upon whether or not the impact fee passes.

Public Works Director Heydon responded that he would have to look at the expected revenue from the impact fees. He advised that revenue would depend on how much and what type of developments occurred. He noted that both Pacific Highway South and 16th Avenue South were both included in the fee calculation.

Mayor Thomasson requested that staff prepare an estimate as to what dollar amount could be expected to be presented at the next Council meeting

NEXT MEETING DATE

Mayor Thomasson announced the next regular meeting will be November 8, 2001.

ADJOURNMENT

The meeting was adjourned at 9:54 p.m.

Respectfully submitted,

Denis Staab
City Clerk