

PRELIMINARY
REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

November 6, 2003

The regular study session of the Des Moines City Council was called to order at 7:34 p.m. by Mayor Steenrod in the Council Chambers, 21630 11th Avenue South, Suite B.

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

ROLL CALL - Present: Mayor Maggie Steenrod, Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Bob Sheckler, Dan Sherman, Scott Thomasson and Susan White. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Park and Recreation Director Patrice Thorell, Assistant City Attorney Richard Brown, Finance Director Paula Henderson, Finance Manager Peggy Watson, Commanders John O'Leary and Kevin Tucker, Public Works Director Tim Heydon, Assistant City Engineer Maiya Andrews, and Deputy City Clerk Angela Chaufy.

DISCUSSION ITEMS:

Preliminary 2004 Budget – Department Review, Debt Service, Internal Service, and Reserve Funds

Finance Director Henderson reviewed the following proposed 2004 debt service budgets:

	<u>Principal</u>	<u>Interest</u>
▪ General Purpose	\$2,709,188	\$218,762
▪ Marina	\$ 435,000	\$222,738
▪ Surface Water Management	\$ 15,667	\$ 0
▪ LID	\$ 20,000	\$ 3,600

Assistant City Manager Loch detailed the proposed Computer Equipment Operations Fund budget of \$166,952. The 2004 estimated end fund balance for the Computer Equipment Capital Fund is \$112,401.

Councilmember Thomasson requested a list of computer software items not included in the Computer Equipment Capital Fund. He suggested that Council discuss as a policy issue whether funds for their replacement should be set aside.

Assistant City Manager Loch informed Council of the following Computer Equipment Funds' unmet needs:

Operations Fund

- Training (Windows 2003) - \$4,250

Capital Fund

- Server Room Cooling System - \$5,000

Finance Manager Watson reviewed the following proposed budgets:

Self Insurance Fund	\$366,994
Unemployment Compensation Fund	\$ 20,000

She explained that the annual maximum balance for the Unemployment Compensation Fund was \$315,000 per Council policy.

Finance Director Henderson reviewed the proposed Revenue Stabilization Fund budget which totaled \$896,850. She recommended that Council include liquor excise taxes and Liquor Board profits as additional revenue sources. Finance Director Henderson informed Council that the proposed available fund balance for the Facility Repair and Replacement Fund was \$206,950 with the total 2004 assessments totaling \$65,033.

At 7:55 p.m., Mayor Pro Tem Benjamin joined the meeting.

Park and Recreation Director Thorell reviewed the following proposed Park and Recreation budgets:

Administration	\$273,614
Park Operations	\$701,224
Programs	\$677,056
Senior Services	\$187,728
Senior Programs	\$ 67,910
All City Buildings	\$163,379

She informed Council of the following departmental unmet needs:

Administration

- Volunteer Assessment - \$10,000
- Cultural Arts Plan - \$10,000

All City Buildings

- Additional .4 FTE Facility Worker - \$25,813

Park Operations

- Park Building Improvements - \$39,000
- Downtown Banners - \$9,000
- Transport Trailer - \$5,300
- Forklift (Share with Streets, SWM) 1/3 Cost - \$2,000
- Additional 0.5 FTE Park Maintenance Worker - \$27,760

Upon questioning from Councilmember Thomasson regarding the condition of Zenith Park's baseball field, Park and Recreation Director Thorell explained that the field did not see much use and staff's time was often diverted to the Activity Center and Steven J. Underwood Park projects. Park and Recreation Director Thorell introduced Human Services Committee members Gene Snyder and Rob Caudillo. She then reviewed the committee's human services funding recommendations.

Mr. Snyder informed Council that Pregnancy Aid had not applied for funding.

Councilmember Sherman asked that a brief paragraph describing each human services program be included in the budget document.

Park and Recreation Director Thorell described the following unmet needs of the Human Services division:

Human Services

- Human Services Study Update - \$10,000
- Part-time Human Services Specialist Position - \$32,000

Community Development Director Kilgore explained that the Human Services Specialist would serve as coordinator of the Community Development Block Grant Program, write grants, and act as liaison for various Human Services programs.

Councilmember Sheckler asked staff to provide information regarding the types of grants that might be available and the amount of money this person might generate for Human Services.

Park and Recreation Director Thorell outlined the proposed funding for the Mount Rainier Pool Contributors Fund as follows:

Des Moines	\$75,000
Highline School District	\$20,000
Normandy Park	\$15,000
SeaTac	\$25,000
King County (Capital)	\$50,000

Total anticipated 2004 pool expenditures were \$182,000.

Commanders Tucker and O'Leary presented the following proposed Police budgets:

Administration	\$1,623,353
Detectives	\$ 759,882
Patrol	\$ 3,508,178
Traffic Unit	\$ 481,269
Police Grants	\$ 16,500
Animal Control	\$ 94,920

City Manager Piasecki informed Council that the COPS in School Grant for the School Resource Officer would be exhausted at the end of the current year. The terms of the grant require the position to be funded by the General Fund through 2004. The expected reduction in dispatch expenses are due to improved departmental communication practices.

Commanders Tucker and O'Leary informed Council of the following unmet needs:

Administration

- Spillman Upgrade to 5.3 - \$43,825
- Spillman Summit Photo Imaging Software - \$38,500
- Police Building Repair - \$42,073
 - Paint walls - \$11,395
 - Reseal Wood Surfaces - \$4,092
 - Replace Carpet - \$26,586

- Host Citizen Academy - \$11,386
- Emergency Management Consultant - \$25,000

Patrol

- Replace Patrol Cars (9)
 - Lease Option: Purchase Option:
 - 1st Year: \$89,085 \$211,000
 - 2nd – 4th Year: \$56,491
- Purchase Video Cameras (6) - \$35,871

Councilmember Sherman questioned whether the City could purchase space in the County's Citizen Academy program.

Commander O'Leary said that the Emergency Management Consultant was his highest priority as the lack of an up-to-date emergency management plan could jeopardize future funding opportunities. Based upon past years' experience, Commander O'Leary estimated the 2004 Police Drug Seizure Fund available fund balance to be \$9,530.

At 9:10 p.m., Mayor Steenrod declared a ten-minute break.

Public Works Director Heydon reviewed the following proposed Public Works budgets:

Engineering	\$ 604,763
Streets	\$1,000,718
Equipment Rental Operations	\$ 362,730

He informed Council of the following unmet needs:

Engineering

- Synchro/Sim Traffic Software Program - \$5,298
- Upgrade to AutoCAD 2004 LT - \$1,450
- Auto Turn - \$400
- GPS Unit - \$20,000
- Survey Equipment - \$15,000
- Traffic Accident Mapping/Tracking System Software - \$15,000
- Traffic Counters - \$9,600
- Binoculars - \$300

Public Works

- Shoulder Mower (1/2 Share with SWM, Total Cost \$107,000) - \$53,500
- Forklift (1/3 Share with Parks and SWM, Total Cost \$6,000) - \$2,000
- Self Loading Racks for Sand Spreaders (3 each) - \$7,500
- Street Light Installations - \$20,000
- Street System Repair - \$20,000

In regard to the shoulder mower, Mayor Pro Tem Benjamin asked for information regarding the cost of maintaining the equipment.

Finance Director Henderson estimated the 2004 Equipment Rental Replacement Fund's ending fund balance to be \$811,882. She identified the following vehicles scheduled for purchase through the fund in 2004:

▪ Asphalt Roller with Trailer	\$ 41,400
▪ ¾ Ton Pick-up with Crew Cab	\$ 22,200
▪ Toro Mower	\$ 40,500
▪ 2 Mid-size 4-Door Sedans	\$ 30,500
▪ Camel Flush Truck	\$239,360
▪ Police Chief Vehicle	\$ 29,800
▪ Sergeant's Vehicle	\$ 29,800

Finance Director Henderson confirmed that reserve funds were available in the general fund to replace these vehicles.

In response to Councilmember Thomasson's questioning, Public Works Director Heydon explained that City equipment tended to be used longer than its programmed service life.

Harbormaster Dusenbury reviewed the following proposed Marina budgets:

Administration	\$1,541,713
Service	\$ 800,940
Maintenance	\$ 452,596

Harbormaster Dusenbury identified the hiring of a consultant to perform a rate, service, and capital program analysis as an unmet need. The consultant would cost approximately \$20,500. The proposed available fund balance for the Marina Repair and Replacement Fund was \$301,006.

Public Works Director Heydon informed Council of the following proposed Surface Water Management budgets:

Engineering	\$461,802
Maintenance	\$489,373

He identified the following departmental unmet needs:

Maintenance

- Shoulder Mower (1/2 Streets, Total Cost \$107,000) - \$53,500
- Forklift (1/3 Share with Parks and Streets, Total Cost \$6,000) - \$2,000

Capital Improvement Plan

Assistant City Engineer Andrews introduced Paul Sachs of Nichols Consulting Engineers.

Mr. Sachs informed Council that the asphalt chip seal program provided preventative maintenance for streets. On a scale of 1 to 100, the City's average pavement condition index (PCI) in 2001 was 75 ("good" category). Currently, the City's average PCI is 74. Mr. Sachs presented the following two scenarios to Council:

- Using the Pavement Management Program analysis module with chip seals, overlays, and reconstruction, the budget needed to maintain the City streets over the next twenty years would be approximately \$21,000,000 with a resultant PCI of 82.
- Using the Pavement Management Program analysis module with overlays and reconstruction, the budget needed to maintain the City streets over the next twenty years would be approximately \$33,000,000 with a resultant PCI of 77.

In response to Councilmember Thomasson's questioning, Mr. Sacks said that the City could place a slurry seal over the chip seal. This method is called cape sealing.

City Manager Piasecki recommended that the slurry seal be tested on one chip sealed street. If Council was pleased with the results, the other chip-sealed streets could also be overlaid with the slurry seal. The cape seal treatment cost \$4 per square yard while the chip seal treatment cost \$3 per square yard.

At 10:20 p.m., **motion** was made by Councilmember Sherman, seconded by Councilmember Thomasson, and passed unanimously to extend the meeting to 10:45 p.m.

Mount Rainier Pool Proposed Interlocal Agreements

Assistant City Attorney Brown informed Council that the City of SeaTac did not want to be listed as an owner of the pool.

City Manager Piasecki noted that SeaTac's City Council had voted to continue funding the pool at a level of \$25,000 for three years.

Mayor Steenrod asked staff to provide marked copies of the proposed agreements so that changes could easily be determined.

Assistant City Attorney Brown presented the three-year plan for the Mount Rainier Pool. Ultimately, the pool coalition would like to fund the pool through 2009. The objectives of the proposed agreements were to provide funding, ownership, operation and maintenance for the facility. King County was willing to transfer ownership and real property lease assignment to another owner for continued operation. If no owner/operator was found, the pool would close December 31, 2003. If a new owner/operator was unable to fund and operate the pool after diligent effort, King County would take the pool back and close it.

At 10:25 p.m., Councilmember Sheckler left the meeting.

Assistant City Attorney Brown and Park and Recreation Director Thorell presented the following four proposed agreements:

1. Pool Funding and Ownership Agreement
2. Pool Transfer Agreement
3. Lease Assignment Agreement
4. Pool Operation Agreement

In regard to the Pool Funding and Ownership Agreement, Assistant City Attorney Brown explained that Highline School District and the cities of SeaTac, Normandy Park, and Des

Moines would continue funding the pool. The cities of Normandy Park and Des Moines would assume ownership of the pool.

City Manager Piasecki informed Council that ownership of the pool would cause the cities' property insurance costs to increase.

Park and Recreation Director Thorell detailed the following funding plans:

2004 – Based upon an estimated first year subsidy of \$85,000 and a start up contribution of \$50,000

Des Moines	\$75,000
Highline School District	\$20,000
Normandy Park	\$15,000
SeaTac	\$25,000

2005 and 2006 – Based on an estimated subsidy of \$97,000 and a fund transfer of \$38,000 to a pool capital maintenance account

Des Moines	\$75,000
Highline School District	\$20,000
Normandy Park	\$15,000
SeaTac	\$25,000

Assistant City Attorney Brown explained that the lease with Highline School District would be assigned to the proposed pool owners through the Lease Assignment Agreement. He described the agreement's best efforts contingency provisions. If "best efforts" failed, ownership of the pool and leasehold rights and obligations could revert back to King County.

Councilmember Sherman questioned whether King County was willing to give \$50,000 additional for a "mothballing" fund. If the fund was not needed, the money could be returned to the County.

Assistant City Attorney Brown informed Council that if a new pool of comparable size and equivalent recreation value was constructed, funding for the Mount Rainier Pool would be withdrawn, the proposed agreement would be terminated, and ownership of the pool would return to King County.

In regard to Section 3.6 of the proposed Lease Assignment Agreement, Councilmember Thomasson questioned why a demolished pool would be transferred.

At 10:40 p.m., **motion** was made by Mayor Pro Tem Benjamin and seconded by Councilmember Thomasson to extend the meeting ten minutes to 10:55 p.m. **VOTE ON MOTION**: Motion passed, 5 – 1, with Councilmember White opposed.

Park and Recreation Director Thorell told Council that, as part of the consideration for transfer of ownership, King County would transfer \$50,000 to the pool owners for capital improvements to the pool. She noted that the Pool Operation Agreement would be between Aquatics Management Group (AMG) and the cities of Normandy Park and Des Moines. The agreement would require the parties to meet on or before September 1, 2006 to consider an extension of the agreement. She reviewed the following provisions of the Pool Operation Agreement:

- Programs and hours of operation are to be reasonably similar to that of current operations;
- AMG is responsible for routine maintenance and repairs up to \$2,000 with an annual \$15,000 cap;
- AMG is to provide independent, monthly accounting; and
- Capital expenditures for items over \$2,000 require pool owner's approval.

Assistant City Attorney described the City's potential liability.

Park and Recreation Director Thorell informed Council that the pool was inspected in 2002. Another inspection could be performed. The additional insurance costs to the City would be based upon the City's loss record and number of worker hours. Park and Recreation Thorell explained that \$16,011 was still owing on the 2003 Pool Operation Agreement with King County.

MOTION was made by Mayor Pro Tem Benjamin, seconded by Councilmember Thomasson, and passed unanimously to pay \$16,011 to King County.

Council concurred that staff should continue in their present direction.

Mayor Steenrod asked that the six-month "mothball" period be reduced.

City Manager Piasecki said that he would provide an update regarding the subject at the November 20, 2003 Council meeting.

NEXT MEETING DATE – Regular Meeting, November 13, 2003

ADJOURNMENT

At 10:55 p.m., the meeting expired.

Respectfully submitted,

Angela M. Chaufy
Deputy City Clerk

ACTION ITEMS FROM NOVEMBER 6, 2003 MEETING

- Identify computer software items not included in the Computer Equipment Capital Fund.
- Include a brief paragraph describing each Human Services agency in the budget document.
- Provide additional information regarding the Human Services Specialist position.
- Continue discussions with the Pool Coalition regarding the various pool agreements.