REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES December 2, 2004

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

PLEDGE OF ALLEGIANCE to the Flag was led by Mayor Pro Tem Thomasson.

ROLL CALL - Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Richard Benjamin, Gary Petersen, Dan Sherman, Maggie Steenrod (arrived at 7:26 p.m.), and Susan White (arrived at 7:21 p.m.). Also present were City Manager Tony Piasecki, Assistant City Attorney Richard Brown, Finance Director Paula Henderson, Assistant City Engineer Maiya Andrews, Public Works Director Tim Heydon, Community Development Director Judith Kilgore, Harbormaster Joe Dusenbury, and Deputy City Clerk Angela Chaufty.

DISCUSSION ITEMS

Suburban Cities Association

MOTION was made by Mayor Sheckler, seconded by Mayor Pro Tem Thomasson, and passed unanimously to appoint Councilmember Sherman as the Voting Delegate for the annual meeting with Councilmember White as the Alternate and Councilmember White as the representative to the Public Issues Committee with Councilmember Sherman as the Alternate.

Draft Resolution No. 04-251 ***[Assigned Res. No. 985]*** Capital Improvement Plan

Assistant City Engineer Andrews asked whether there were any questions regarding the CIP for Arterial Streets.

Due to the current budget situation, Mayor Pro Tem Thomasson suggested that a sidewalk on one side of South 216th Street would be sufficient.

Upon questioning from Mayor Pro Tem Thomasson, Finance Director Henderson said that the Transportation Impact Fee account balance was based upon the consultant's report. The estimate might be on the high end.

Mayor Pro Tem Thomasson suggested that, if the City wanted to be conservative, the fund balance should be lower.

Councilmember Benjamin stated that he wanted to look at the 16th Avenue South undergrounding of utilities project again.

Public Works Director Heydon said that the agreement with Puget Sound Energy for the project would be before Council in January. He recommended that the project be discussed in detail at that time.

At 7:21 p.m., Councilmember White arrived.

Harbormaster Dusenbury presented the proposed CIP for the Marina. He said that the goals of the Marina Comprehensive Master Plan were to recheck trends and assumptions through a market analysis, determine if the phasing of the project was still feasible, determine the appropriate level of retail versus commercial activity, and plan the Marina area.

At 7:26 p.m., Councilmember Steenrod arrived.

Harbormaster Dusenbury identified the following goals for the rate study:

1. Determine the cost of delivery for all Marina services.
2. Prepare a revenue analysis of all revenue streams to determine the capacity for rate growth and assess the ability of the planned improvements to cover capital costs.
3. Compare the cost structures and revenues of similar marinas.
4. Create a rate structure and slip mix that optimizes revenues.
5. Identify policy questions for Council regarding revenues, expenses, debt, and contributions to capital from operating revenues.
6. Establish criteria to evaluate future projects.

Harbormaster Dusenbury noted that the Marina Comprehensive Master Plan and rate study projects had been reviewed by the Municipal Facilities Committee and the consultant agreements for the two projects would soon be presented to Council. Harbormaster Dusenbury displayed a map of the Electrical Distribution System Upgrade Project and described the project in detail. He then briefed Council on the following CIP projects:

- Redondo Improvements
- Expanded Guest Moorage – Phase 1
- Restaurant/Boat Yard Building Repairs
- N Dock Electrical Wiring Project
- Guest Moorage – Phase 2
- Vending Machine Shed
- Master Plan Update

Finance Director Henderson displayed a slide updating the Parks, Recreation, and Senior Services Master Plan's CIP as revised previously by Council. Copies of the Transportation and Parks, Recreation, and Senior Services Master Plan CIP sections were distributed to Council.

Upon request from Mayor Pro Tem Thomasson, Community Development Director Kilgore described the formula for calculating parks in lieu fees.

Mayor Pro Tem Thomasson suggested that the City use REET funds to fund Steven J. Underwood Park improvements and then pay them back through park in lieu or transportation funds. He questioned whether the City should pre-pay debt or pay interest.

MOTION was made by Councilmember Sherman and seconded by Councilmember Steenrod to approve Draft Resolution No. 04-251 approving the City of Des Moines 2005 – 2010 Capital Improvement Plan as amended by Council during the course of the discussion.

Councilmember Sherman confirmed that the motion did not include City Manager Piasecki's recommendations as listed on Page 2 of the Municipal Capital Improvements document.

Mayor Pro Tem Thomasson spoke against the City Manager's recommendations to reduce the 2005 transfer from the General Fund to $50,000 and to reduce the MCI transfer to the Arterial Street Fund by $50,000 for each year.

MOTION was made by Mayor Pro Tem Thomasson and seconded by Councilmember Steenrod to accept the City Manager's recommendations to add the $230,000 federal grant for the Des Moines Beach Park Auditorium and to split out Des Moines Beach Park building renovations.

City Manager Piasecki said that staff was checking to see if the federal grant money could be used for a building in the Beach Park.

Councilmember Sherman suggested **changing the motion** to "add the $230,000 federal grant for the Des Moines Beach Park Auditorium reducing the need for REET should that be feasible."

Mayor Pro Tem Thomasson and Councilmember Steenrod **accepted the suggestion as a friendly amendment**.

VOTE ON MOTION: Motion passed, 6 – 1, with Councilmember Benjamin opposed.

MOTION was made by Mayor Sheckler and seconded by Councilmember White to include the City Manager's first and third recommendations (reduce the 2005 transfer from the General Fund to $50,000 and reduce the MCI transfer to Arterial Street Fund by $50,000 for each year).

Mayor Pro Tem Thomasson spoke against the motion as he identified streets as a major investment of the City.

City Manager Piasecki stated his belief that revenue estimates were conservative. He noted that no arterial street expenditure reductions were proposed.

Councilmember Benjamin said that if Mayor Pro Tem Thomasson would forego the 16th Avenue South undergrounding project, he would support his position.

Mayor Pro Tem Thomasson did not agree. He said that the undergrounding of utilities on 16th Avenue South would complete a project. If the money was left in MCI, he felt that it would be spent on projects less essential than streets.

Councilmember Benjamin said that the City should save $1,500,000 by not doing the 16th Avenue South project.

Councilmember Steenrod voiced agreement with Councilmember Benjamin's comment as 16th Avenue South was not a main arterial for the City.

VOTE ON MOTION: Motion failed 2 – 5, with Mayor Sheckler and Councilmember White supporting the motion.

MOTION was made by Mayor Pro Tem Thomasson and seconded by Councilmember Sherman to incorporate the Finance Director's changes with revised interest earnings based upon the last motion. **VOTE ON MOTION**: Motion passed, 6 – 1, with Councilmember Benjamin opposed.

City Manager Piasecki said that he would remind the Rotary Club that the 2003 Haunted House proceeds had not yet been received.

MOTION was made by Councilmember Sherman and seconded by Councilmember White to call the question. **VOTE ON MOTION**: Motion failed, 4 – 3, as it requires a super-majority. Mayor Pro Tem Thomasson and Councilmembers Benjamin and Steenrod were opposed.

MOTION was made by Councilmember Steenrod and seconded by Councilmember Benjamin to remove "at least once a year" from Section 2 of the proposed resolution. **VOTE ON MOTION**: Motion passed, 6 – 1, with Councilmember Sherman opposed.

Upon questioning from Mayor Pro Tem Thomasson, Community Development Director Kilgore confirmed that the CIP should be adopted as part of the City's Comprehensive Plan. She recommended that a statement clarifying that the most recently adopted CIP was adopted as an appendix to the Comprehensive Plan be included in the Comprehensive Plan resolution.

VOTE ON MAIN MOTION: Motion passed, 6 – 1, with Councilmember Benjamin opposed.

At 8:35 p.m., Mayor Sheckler declared a break.

Draft Ordinance No. 04-217C ***[Assigned Ord. No. 1355]*** Establishing a B & O Tax

Mayor Sheckler announced that a **motion** regarding a four year sunset clause **was on the floor**.

VOTE ON MOTION: Motion failed, 1 – 6, with Councilmember Sherman voting "YES".

Mayor Sheckler said that the **main motion** to adopt Draft Ordinance 04-217C establishing a B & O Tax as presented with the $50,000 change **was now on the floor**.

Councilmember Steenrod said that she would not support a B & O Tax as it was in opposition to the City's economic development efforts.

VOTE ON MOTION: Motion passed, 4 – 3, with Councilmembers Benjamin, Petersen, and Steenrod opposed.

Councilmember Steenrod recommended that the notification be mailed with the business license renewal notices and be placed on the City's website.

Draft Ordinance No. 04-250 ***[Assigned Ord. No. 1356]*** Adopting the 2005 Budget

City Manager Piasecki informed Council that the proposed budget had a $323,860 gap, due to the CIP changes, and assumed the adoption of the false alarm and the business license registration fee ordinances.

MOTION was made by Mayor Pro Tem Thomasson and seconded by Councilmember White to suspend Rule 26(b) to take action on Draft Ordinance No. 04-250.

VOTE ON MOTION: Motion passed, 4 – 3, with Councilmembers Benjamin, Petersen, and Steenrod opposed.

Upon questioning from Councilmember Sherman regarding the proposed budgets for videotaping and cable consultant services, City Manager Piasecki recommended that $5,000 be allocated for the cable consultant to monitor Comcasts' compliance with the franchise agreement and federal regulations regarding rates. City staff would handle the simpler cable issues in-house.

Councilmember Benjamin questioned the City's relationship to RCAA. He questioned why funds were still allocated to the Airport Defense Fund.

Mayor Sheckler said that the ACC could not be dissolved until the auditor had completed his review and the final bills were paid. He anticipated the ACC being dissolved after their meeting tomorrow.

City Manager Piasecki noted that the money in the Airport Defense Fund could be re-directed after the ACC was dissolved.

Mayor Pro Tem Thomasson felt that it was appropriate to leave some money in the fund to monitor the Port of Seattle. He noted that spending the money would require Council motion.

MOTION was made by Councilmember Sherman and seconded by Mayor Pro Tem Thomasson to pass Draft Ordinance No. 04-250 as it appeared on the November 29, 2004 agenda with any appropriate updates as directed by Council at the December 2, 2004 meeting.

MOTION was made by Councilmember Sherman and seconded by Mayor Pro Tem Thomasson to amend the main motion by removing the videotaping and the paper law library deductions.

Councilmember Petersen questioned whether the number of viewers warranted the continuation of videotaping services.

Councilmember Steenrod said that more people would watch the Council meetings if the quality was improved.

VOTE ON MOTION: Motion passed, 5 – 2, with Councilmembers Benjamin and Steenrod opposed.

MOTION was made by Councilmember Sherman and seconded by Councilmember White to give the RCAA $5,000 from the Airport Defense Fund.

Councilmember Sherman said that the RCAA had successfully presented two issues on behalf of the City not involving the Third Runway to the Pollution Control Hearing Board. As the organization was working on behalf of the City, the City should support them.

Mayor Pro Tem Thomasson questioned whether the auditor would consider the allocation a gift of public funds as there was no existing contract for services.

Assistant City Attorney Brown said that he would research the issue.

Councilmember Sherman said that he would **withdraw his motion** until a legal opinion was obtained.

Councilmember Steenrod said that if the action would be legal and if the RCAA was successfully working on behalf of the City, she could support allocating money to the organization.

Finance Director Henderson said that $1,179,734 of the proposed budget was funded by one-time money.

City Manager Piasecki explained that that figure included the funding for limited-term positions and one-time purchases. The amount dedicated to reoccurring expenses was $332,860.

MOTION was made by Mayor Sheckler and seconded by Councilmember Petersen to allocate $1,500 to the Rotary Clubs Dictionary Program.

MOTION was made by Councilmember Sherman and seconded by Councilmember Benjamin to amend the previous motion by also allocating $2,400 to the Des Moines Historical Society.

Councilmember Benjamin suggested that the money be taken from the Airport Defense Fund.

Mayor Pro Tem Thomasson said that the Dictionary Program and Des Moines Historical Society were worthy programs but he would not support the motion as Council has spent months trying to reduce the budget. Employees have been laid off and families disrupted. Mayor Pro Tem Thomasson said that he could consider the proposed allocations in the future if unexpected revenue was identified.

Councilmember White agreed with Mayor Pro Tem Thomasson's comments.

MOTION was made by Councilmember Steenrod, seconded by Mayor Sheckler and passed unanimously to call for the question.

MOTION was made by Councilmember Benjamin and seconded by Councilmember Steenrod to fund either or both of the motions, if approved, through Airport Defense Fund monies. **VOTE ON MOTION**: Motion passed, 5 – 2, with Mayor Pro Tem Thomasson and Councilmember White opposed.

VOTE ON AMENDMENT: Motion passed, 5 – 2, with Mayor Pro Tem Thomasson and Councilmember White opposed.

VOTE ON AMENDED MOTION: Motion passed, 6 – 1, with Mayor Pro Tem Thomasson opposed.

MOTION was made by Councilmember Benjamin and seconded by Councilmember Petersen to redirect the balance of the Airport Defense Fund to the general fund. **VOTE ON MOTION**: Motion failed, 2 – 5, with Councilmembers Benjamin and Petersen voting "YES".

VOTE ON MAIN MOTION: Motion passed, 5 – 2, with Councilmembers Benjamin and Steenrod opposed.

Mayor Pro Tem Thomasson explained that the budget balances in terms of expenditures and revenues. $332,860 Of the 2005 budget would be funded through one-time monies.

Mayor Sheckler and Councilmembers Sherman, White, and Steenrod thanked staff for their efforts.

Councilmember Steenrod asked Council to look for ways to roll-back the fees for the apartment dwellers and business owners in the future. She said that the fees were enacted due to the emergency situation. Once the budget was sustainable through other means, she hoped to see the fees changed.

Councilmember Benjamin suggested that Council identify their economic development strategy and vision in January.

Councilmember Steenrod recommended that the City establish an economic development committee to team with businesses to deal with vitalization issues.

Draft Ordinance No. 02-252 ***[Assigned Ord. No. 1354]*** and Draft Resolution No. 02-252 ***[Assigned Res. No. 984]*** Business License Registration Fees

City Manager Piasecki informed Council that the proposed ordinance would require businesses whose principal place of business was outside the City of Des Moines to obtain a City of Des Moines business license registration. The proposed resolution would set the fees for business license registration and for single-family residential rental properties.

MOTION was made by Mayor Pro Tem Thomasson and seconded by Councilmember White to suspend Rule 26(b) to allow for passage of Draft Ordinance No. 02-252. **VOTE ON MOTION**: Motion passed, 6 – 1, with Councilmember Benjamin opposed.

MOTION was made by Mayor Pro Tem Thomasson and seconded by Councilmember Sherman to adopt Draft Ordinance No. 02-252, relating to business license registration fees under DMMC 5.04 for businesses whose principal place of business is outside of the City of Des Moines.

Councilmember Benjamin said that he would support the motion for the ordinance but he felt that the fees proposed in Draft Resolution No. 02-252 were excessive.

VOTE ON MOTION: Motion passed unanimously.

City Manager Piasecki noted that “only one” should be deleted from the first paragraph of Draft Resolution No. 02-252.

MOTION was made by Mayor Pro Tem Thomasson and seconded by Councilmember Sherman to adopt Draft Resolution No. 02-252, setting business license registration fees under DMMC 5.04 for businesses whose principal place of business is outside of the City of Des Moines and for owners of single family residential rental properties and superseding portions of Resolution Nos. 877 and 920, including a fee of $50 for the business license registration fee.

MOTION was made by Councilmember Sherman and seconded by Councilmember Steenrod to amend the amount of the business license registration fee to $25.

Mayor Pro Tem Thomasson questioned whether Councilmember Sherman would accept changing the fee to $30 as a friendly amendment.

Councilmember Sherman declined.

Councilmember Petersen felt that $25 was appropriate as it was in line with other cities' fees.

VOTE ON AMENDMENT: Motion passed unanimously.

VOTE ON MAIN MOTION: Motion passed unanimously.

NEXT MEETING DATE – Regular Meeting, December 9, 2004 at 7:30 p.m.
Public Safety and Transportation Meeting – December 9, 2004 at 6:30 p.m.
Executive Session – Within body of December 9, 2004 Council meeting.

ADJOURNMENT
At 10:20 p.m., **MOTION** was made by Councilmember Sherman, seconded by Mayor Pro Tem Thomasson, and passed unanimously to adjourn the meeting.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk

ACTION ITEM FROM 12/2/04 MEETING

- Contact the Rotary Club regarding 2003 Haunted House proceeds.
- Research whether an allocation to the RCAA would be considered a gift of public funds.