PRELIMINARY
REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES December 11, 2003

The regular meeting of the Des Moines City Council was called to order at 6:35 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 Sheckler.

ROLL CALL - Present: Mayor Maggie Steenrod, Mayor Pro Tem Richard Benjamin, Councilmembers Gary Petersen, Dan Sherman, Bob Sheckler, and Scott Thomasson. Absent: Councilmember Susan White. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, Finance Director Paula Henderson, Community Development Director Judith Kilgore, Interim Chief of Police Kevin Tucker, Public Works Director Tim Heydon, Park and Recreation Director Patrice Thorell, and Deputy City Clerk Angela Chaufty.

MOTION was made by Councilmember Sherman, seconded by Councilmember Petersen, and passed unanimously to excuse Councilmember White from the meeting.

CORRESPONDENCE

Letter to Mic Dinsmore, Executive Director of the Port of Seattle

City Manager Piasecki said that a copy of his letter to Mic Dinsmore, Executive Director of the Port of Seattle regarding the development of the Port buyout area in Des Moines had been distributed to Council.

AGENDA REVISION

Due to the early start of the meeting, Mayor Steenrod announced that Comments from the Public, Board and Committee Reports and Administration Reports would be postponed until 7:30 p.m.

CONSENT CALENDAR was read by Deputy City Clerk Chaufty.

1. Motion is to approve the special and regular meeting minutes of November 20, 2003.

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.

2. 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 #91770 through #92119 & electronic fund transfers in the total amount of $3,615,073.43

Payroll fund transfers in the total amount of $707,865.05

3. Motion is to authorize the City Manager to approve all vouchers for payment of the following claims during the period of December 5, 2003 through December 18, 2003:

a. All vouchers for payment of payroll checks, including Marina payroll, and

b. All vouchers for payment of claims and Marina checks, provided that all vouchers and checks approved by the City Manager in accordance with this motion shall be presented at the January 8, 2004 Council meeting.

4. Motion is to authorize the City Manager to sign the agreement with the Washington State Department of Community, Trade and Economic Development for the $30,000 Growth Management Grant. The agreement shall be substantially in a form as approved by the City Attorney.

5. Motion is to approve the Interlocal Agreement with King County for I-Net Services and to direct the City Manager to sign the Interlocal Agreement with King County substantially in the form as submitted.

6. Motion is to authorize the purchase of an additional 450 square feet of property at 22200 Pacific Highway South from Mr. and Mrs. Kon Hwang in the amount of $9,405 and further to authorize the Finance Department to issue payment.

In regard to Item No. 4, Assistant City Manager Loch explained that the project funded by the grant must comply with the Growth Management Act and must relate to future planning goals.

MOTION was made by Councilmember Sheckler, seconded by Councilmember Thomasson, and passed unanimously to approve the consent calendar as read.

NEW BUSINESS

Draft Ordinance No. 03-324 ***[Assigned Ord. No. 1331]*** – Adoption of 2003 Budget Amendments

Finance Director Henderson informed Council that the proposed 2003 Budget Amendments reflected routine housekeeping adjustments resulting from unanticipated revenues and expenditures that were unknown at the time the budget was adopted. Adoption of the budget amendments was required to insure expenditures do not exceed legal authorized appropriations. She briefly described the following proposed budget amendments:

- Facility Repair & Replacement Fund: $4,200
- Police Drug Seizure Fund: $19,625
- Grant Control Fund: $80,000
- 1995 GO Bond – Police Facility: $100
- Local Improvement District Fund: $10,300
- 1997 GO Bond – City Hall Remodel: $200
- 1998 GO Bond – Park Land Acquisition: $300
- Debt Service Fund: $3,000
- Marina Revenue Fund: $50,000
- Marina Repair & Replacement Fund: $3,100
- Equipment Rental Operations Fund: $55,000
- Equipment Replacement Fund: $35,000

Finance Director Henderson proposed the closure of the following funds as the related debt service had been paid in full:

- 1978 GO Bond – Police Station: $4,000
- 1987 GO Bond – Library/Park: $43,700
- 1992 GO Bond – Downtown Improvement: $1,200

MOTION was made by Councilmember Sheckler and seconded by Councilmember Thomasson to suspend Council Rule 26(b) to consider Draft Ordinance No. 03-324 on the first reading.

VOTE ON MOTION: Motion passed, 4 – 2, with Mayor Pro Tem Benjamin and Councilmember Petersen opposed.

MOTION was made by Councilmember Sheckler and seconded by Councilmember Thomasson to adopt Draft Ordinance No. 03-324 relating to municipal finance, amending the 2003 budget adopted in Ordinance No. 1314.

Deputy City Clerk Chaufty read the title of the proposed ordinance into the record.

City Attorney Marousek informed Council that the proposed ordinance required a supermajority vote.

Mayor Pro Tem Benjamin said that he would not support the motion as he did not have sufficient time to review the materials.

Upon questioning, Finance Director Henderson said that, if the City's expenditures exceeded its appropriations, the City could receive an audit finding. An audit finding could affect the City's bond rating. Finance Director Henderson noted that Council had approved a $37,800,000 budget for 2003. The adjustments would bring the budget to $38,600,000.

Mayor Steenrod asked staff to identify the recordkeeping items and the true expenditures.

In response, City Manager Piasecki explained that the City had received offsetting revenue for all of the items except for the adjustments required for the Facility Repair & Replacement Fund, Debt Service Fund, and Marina Repair & Replacement Fund.

VOTE ON MOTION: Motion passed, 5 – 1, with Mayor Pro Tem Benjamin opposed.

OLD BUSINESS

2004 Budget – Policy Issues

Finance Director Henderson asked Council to provide direction regarding the following budget policy issues:

- Funding Unmet Needs
- Change in General Fund Indirect Assessments to Proprietary Funds
- Fund Patrol Vehicles by Equipment Replacement Assessments
- Change in Revenue Stabilization Fund Reserve Requirements
- Airport Defense Funding
- Mount Rainier Pool Continued Operations
- Des Moines Historical Society Rental Increase
- Changes to Capital Improvement Plans

She projected the following ending fund balances for the General and Street Funds:

2003: $1,566,380

2004: $1,877,701
2005: $1,480,408
2006: -$1,135,366

Finance Director Henderson informed Council that the Community Development Director anticipated an additional $2,000,000 in building permits for 2006 that was not included in the 2006 ending fund balance projection.

City Manager Piasecki said that one-time revenues could cover the budget's structural expenditures through 2006.

Finance Director Henderson briefly reviewed the following 2004 Unmet Needs prioritized and recommended for approval by the City Manager:

1. Limited Term Building Inspector
2. Limited Term Permit Technician
3. Limited Term Economic Development Coordinator
4. Replacement of Six Patrol Vehicles
5. Various Traffic Safety Equipment and Monitoring Systems and AutoCAD Upgrade
6. Park Maintenance Worker
7. Zoning Code Rewrite
8. Court Video Conferencing
9. GASB 34 Fixed Assets Assistance
10. Upgrade Permit Technician to Coordinator
11. Emergency Management Consultant
12. Six Video Cameras for Police
13. Part-time Human Services Specialist
14. Street Lights Installation
15. Miscellaneous Street System Repair
16. Used forklift (1/3 SWM; 1/3 Park & 1/3 Streets)
23. Transport Trailer (Parks)

Finance Director Henderson said that the proposed 2004 base budget was identical to the 2003 budget except for an increase in salaries and benefits and a decrease in supply expenditures.

Mayor Pro Tem Benjamin said that rewriting the zoning code was one of the most important actions Council could take to support economic development. He spoke against the hiring of an Economic Development Coordinator as there were existing organizations the City could work with to encourage development. Mayor Pro Tem Benjamin recognized that new construction would bring several millions of dollars into the City within the next few years. He said that the permit fees should reflect true costs and the money should be allocated to the departments issuing the permits. The permit fees should not be considered a profit venture to subsidize the general fund. Mayor Pro Tem Benjamin stated that the City should take the necessary cuts to fund the budget as it stands and not subsidize it through one-time money. He noted that the proposed Building Inspector and Permit Technician positions would eventually need to be cut.

Councilmember Sherman said that Council needed to form a general policy for long term budget planning. He suggested that Council discuss this topic at their retreat.

Councilmember Thomasson voiced agreement with Mayor Pro Tem Benjamin's comments. He said that the City was living beyond its means through building permit fees. Councilmember Thomasson said that the cost of the building permits should equal the fee for service. Rather than have the Community Development Director involved in development projects, he suggested that the City hire another Development Services Manager or Engineer to meet the increased demand. Councilmember Thomasson questioned when the limited term positions would expire. He said there should be a relationship between the number of development staff and the level of building activity. Councilmember Thomasson said that the City needed to live on ongoing revenue and properly fund one-time financed services. He said that the police vehicles should be returned to the base budget as they were not unmet needs but essential items.

In regard to hiring additional staff, Mayor Steenrod questioned whether it would be better for the City to contract for services. If not, she said that Council should clearly identify the length of the limited term. Mayor Steenrod spoke against the hiring of an Economic Development Coordinator as she believed it was the businesses job to develop the economy and the City's job to allow it to happen. She felt that the rewrite of the zoning code was essential. Mayor Steenrod questioned whether the Washington State Department of Community, Trade and Economic Development grant could be used for this purpose.

Councilmember Thomasson said that he was not comfortable hiring a consultant who was not familiar with the City to rewrite the zoning code. He believed that the Community Development Director should rewrite the code rather than deal with development issues. Councilmember Thomasson said that Council had not reached a consensus regarding the need for a modernization or change of the code. He said that application of the zoning code could be the problem.

Mayor Steenrod said that the zoning code contained contradictory sections that needed to be fixed. She asked that, next year, Council review the proposed base budget before discussing unmet needs.

At 7:35 p.m., Mayor Steenrod declared a five-minute recess.

Mayor Steenrod announced that discussion of this topic would continue after Comments from the Public, Board and Committee Reports, and Administration Report.

COMMENTS FROM THE PUBLIC

Bob Pond, 23116 30th Avenue South

Mr. Pond urged Council to ban fireworks. He said that the fireworks' risk to people and buildings was great. Mr. Pond told Council that many illegal fireworks were being used.

BOARD AND COMMITTEE REPORTS

Port of Seattle Meeting

Councilmember Sheckler reported that he, the City Manager, and the Community Development Director had met with the Port of Seattle's Executive Director and Director of Real Estate to discuss the Port of Seattle's buyout area located on South 216th Street. Councilmember Sheckler was encouraged by the spirit of cooperation as both parties acknowledged that it was in their best interest to redevelop the property.

Comments from the Public – Bob Pond

Councilmember Sherman noted that Council was scheduled to discuss the fireworks issue at their first meeting in January 2004.

PRESIDING OFFICER'S REPORT

Economic Conditions

Mayor Steenrod sited many statistics regarding the current economic condition of South King County residents. She urged Council to consider the impact to the individual as they discuss the budget.

ADMINISTRATION REPORT

Chief of Police Roger Baker

City Manager Piasecki announced that Chief of Police Baker would begin employment with the City on January 5, 2004. His swearing in ceremony would be conducted January 7, 2004.

Highline Community College Improvements

City Manager Piasecki informed Council that he had met with Highline Community College representatives to discuss the City's code requirements as they relate to the College's sidewalk project. The college was asked to provide reasons why the curb, gutter, and sidewalk improvements should not be required. A pedestrian count was also requested. Contractors were scheduled to begin the project in Spring 2004.

Transportation Improvement Board Vacancy

City Manager Piasecki announced that there was a vacancy for an elected position on the Transportation Improvement Board. If any Councilmember was interested in serving in this capacity, let him or the Public Works Director know.

Chamber of Commerce 2004 Waterland Festival

City Manager Piasecki reported that Waterland Chairperson Brenda Anders-Larson, on behalf of the Chamber of Commerce, had submitted a request to conduct the 2004 Waterland Festival.

Federal Way Annexation Effort

City Manager Piasecki informed Council that Federal Way had initiated the annexation of the area known as the Triangle Area, including the Applewood area. The annexation would be processed through the election method and would be presented to the voters in November 2004.

OLD BUSINESS, CONTINUED

Preliminary 2004 Budget – Policy Issues, Continued

Councilmember Thomasson said that he supported the hiring of a limited term Building Inspector and Permit Technician as long as an exit strategy was identified. He said that additional Public Works staff should also be hired to address the increased development needs.

Due to supervision issues, Community Development Director Kilgore stated her preference for hiring an employee rather than contracting for services for these positions. She suggested that the employment terms be terminated when the building revenues decreased to a certain level or when a certificate of occupancy had been issued for specific projects.

MOTION was made by Councilmember Sherman and seconded by Councilmember Thomasson to proceed with Unmet Needs Item Nos. 1 and 2 (limited term Building Inspector and Permit Technician) as outlined.

Council briefly discussed options to regulate the terms of these positions.

The maker and seconder of the motion accepted limiting the positions' terms to two years **as a friendly amendment**.

City Manager Piasecki informed Council that the identified development projects were funded and construction was projected to occur through Spring, 2006.

Mayor Steenrod asked that the positions be tracked separately and not rolled into the department.

VOTE ON MOTION: Motion passed unanimously.

MOTION was made by Councilmember Thomasson to add an additional limited term FTE to the Public Works department to support development at a cost of approximately $70,000 per year.

Motion died for lack of a second.

Councilmember Sherman spoke in support of the limited term Economic Development Coordinator position. He said that the coordinator could actively seek businesses that would bring revenue to the City.

MOTION was made by Councilmember Sherman and seconded by Councilmember Sheckler to accept Unmet Need Item No. 3 (limited term Economic Development Coordinator) for a two-year limited term.

Mayor Pro Tem Benjamin said that he was not opposed to the position but believed it was premature to hire anyone until the zoning code had been rewritten. He urged Council to postpone hiring the Economic Development Coordinator until that time.

Councilmember Thomasson said that he was not prepared to support the motion as Council had not yet identified an economic development plan. He said that he could support allocating $10-20,000 for a consultant to clarify a program for the City.

VOTE ON MOTION: Motion failed, 3 – 3, with Mayor Steenrod, Mayor Pro Tem Benjamin, and Councilmember Thomasson opposed.

MOTION was made by Councilmember Thomasson and second by Councilmember Sherman to allocate $20,000 for a consultant to develop an economic development plan.

If Council wished to have a consultant develop an economic development plan, Community Development Director Kilgore urged Council to require a strategic plan with clear deliverables rather than an outline with policy issues.

The maker and seconder of the motion accepted increasing the dollar amount to $25,000 as a **friendly amendment**.

Community Development Director Kilgore said that $25,000 should provide Council with a 30 to 40 page report which identified the market and provided direction to focus the efforts.

Mayor Pro Tem Benjamin spoke against the motion. He suggested that Council evaluate the existing Pacific Ridge Plan and develop an economic plan during their retreat.

Councilmember Sherman said that an expert could provide market experience for the project.

Mayor Steenrod suggested that the contractor be hired after Council's retreat so that a specific focus area could be identified.

VOTE ON MOTION: Motion passed unanimously.

MOTION was made by Mayor Steenrod and seconded by Mayor Pro Tem Benjamin to include $50,000 in the budget for the rewriting of the zoning code to address sections that were contradictory or in need of updating.

Councilmember Thomasson said that he would support the hiring of an additional planner to allow the Community Development Director time to re-write the code but he would not support the hiring of an outside consultant to do the project.

Community Development Director Kilgore suggested that she work with Council on policy issues. Then, a consultant could be hired to develop proper code language. The resulting document would be presented to Council for adoption.

Councilmember Sheckler asked for specific information indicating that the zoning code was a factor contributing to the City's lack of economic development.

Mayor Steenrod said that the current code was not conducive to developers. For example, it would be difficult for her to modify her business under the current code.

Councilmember Thomasson noted that the building, electrical, and plumbing codes were set by the State rather than by the City.

At 8:45 p.m., Mayor Steenrod declared a two-minute break.

Based upon his experience, Councilmember Sherman said that he was not in support of the motion.

Community Development Director Kilgore said that some definitions in the zoning code had not been reviewed since 1964. She encouraged Council to look at the zoning code comprehensively.

Councilmember Thomasson said that he was willing to deal with the issue at a policy level but he strongly opposed hiring an outsider to re-write the code.

City Manager Piasecki suggested that Council and staff discuss the zoning code at the retreat. Council could then consider hiring a consultant. Without additional assistance, staff would not have time to do the project.

VOTE ON MOTION: Motion failed, 3 – 3, with Councilmembers Sherman, Sheckler, and Thomasson opposed.

Councilmember Thomasson said that he was comfortable with Council dealing with the zoning code issue at the retreat and then making a decision regarding the consultant.

MOTION as made by Councilmember Sheckler and seconded by Councilmember Thomasson to approve Unmet Need No. 4 (replacement of six patrol vehicles).

Upon request, City Manager Piasecki clarified that six vehicles were proposed for replacement. Three would be funded through a salary savings since one officer is on military leave through 2004, one would be funded through insurance proceeds, and the other two vehicles would be funded through one-time money. He explained the staffing of the police department.

Councilmember Thomasson said that the vehicles should have been included in the base budget. He felt that the salary savings should not be used to justify the purchase of police vehicles. If the position could be left vacant for one and one half years, he questioned whether the position was necessary. Councilmember Thomasson stated his preference for staggering the replacement of police vehicles.

Finance Director Henderson confirmed that a staggered replacement and funding plan had been developed.

Interim Chief of Police Tucker explained that, due to the expense and time required to train a new officer, he felt it most prudent to leave the position vacant until the officer returned from military duty.

City Manager Piasecki said that money to fund future replacements would be placed in the base budget.

Upon questioning from Mayor Steenrod, Interim Chief Tucker said that all police officers wrote traffic citations. In response to Councilmember Thomasson's questioning, Interim Chief Tucker confirmed that the City would not pay overtime to cover the vacant position.

VOTE ON MOTION: Motion passed unanimously.

At 9:15 p.m., Mayor Steenrod declared a ten-minute break.

Mayor Steenrod suggested that the traffic unit be eliminated and the existing traffic officers be returned to patrol duty. She voiced concern that the purpose of the traffic unit was revenue rather than safety.

Councilmember Petersen said that motorcycles often proved to be advantageous when an officer was responding to a service call.

Councilmember Thomasson related the history of the traffic unit. He said that the unit was not created to be a revenue source. The traffic unit was tracked separately from the rest of the Police budget to insure that it paid for itself.

Interim Chief Tucker voiced his support for maintaining the traffic unit. He encouraged Council to absorb the traffic unit into the police budget.

Councilmember Sheckler agreed that the traffic unit should continue operating.

Mayor Steenrod reiterated that all officers should be concerned about traffic and issue traffic citations. She felt that, if Council had determined that the traffic unit works, it should be incorporated into the police budget.

Councilmember Thomasson suggested that the traffic unit remain a separate line item in the budget for now. The new Chief of Police could then look at the issue and make a recommendation to Council.

In regard to additional engineering staff, City Manager Piasecki informed Council that the Public Works Department would like to hire a Civil Engineer I to address the transportation needs of the pending development projects. He informed Council that staff was reviewing the policies regarding computer software replacement. The issue would be presented to Council next year.

MOTION was made by Councilmember Sheckler and seconded by Councilmember Petersen to fund $50,448 for various engineering traffic safety equipment, monitoring systems, and AutoCAD upgrade.

Public Works Director Heydon briefly described the requested equipment. He noted that the traffic counter had been removed from the funding request.

Mayor Steenrod suggested that the AutoCAD software be funded through a different line item.

Councilmember Thomasson acknowledged that the equipment would be useful but staff would have no time to use it as they would be reviewing developments.

Public Works Director Heydon explained that the new equipment would allow staff to perform more efficient design work for traffic calming projects and driveway alignments.

Councilmember Thomasson noted that the replacement costs for the proposed equipment should be identified as an on-going cost.

VOTE ON MOTION: Motion failed, 3 – 3, with Mayor Steenrod, Mayor Pro Tem Benjamin, and Councilmember Sherman opposed.

City Manager Piasecki informed Council that a Civil Engineer I employee would cost approximately $80,000 per year.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Sheckler, and passed unanimously to approve Unmet Need Item No. 6 (1 FTE Park Maintenance Worker).

In regard to the court video conferencing equipment, City Manager Piasecki proposed that the project be included in the Council Chamber upgrade project. The transfer to the MCI fund would increase by $20,000 to cover the project.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Sherman, and passed unanimously to approve Item No. 8 (Court Video Conferencing).

Finance Director Henderson informed Council that the GASB 34 Fixed Assets Assistance would require a part-time person to identify the city's infrastructure. The Governmental Accounting Standards Board mandated the project.

MOTION was made by Councilmember Sherman and seconded by Councilmember Thomasson to approve Unmet Need Item No. 9 (GASB 34 Fixed Assets Assistance).

Without the position, Finance Director Henderson said that staff would be required to work more overtime in order to bring the City into compliance.

VOTE ON MOTION: Motion passed unanimously.

In regard to Unmet Need Item No. 10 (Upgrade Permit Technician to Permit Coordinator), Councilmember Thomasson noted that the City Manager had authority to reclassify a position. He suggested that the City Manager handle this issue internally.

The City Manager explained that additional dollars must be added to the budget in order to reclassify the position.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Sheckler and passed unanimously to approve Unmet Need Item No. 10.

MOTION was made by Councilmember Sheckler and seconded by Councilmember Sherman to approve Unmet Need Item No. 11 (Emergency Management Consultant).

Councilmember Sherman said that this was an essential service. He asked that the course of action for ordinary citizens be identified in the emergency management plan.

Councilmember Thomasson questioned whether federal grant money was available for the project. He asked whether Council would participate in the development of emergency management policies.

Interim Chief of Police Tucker explained that the emergency management plan would address each department. The plan would be presented to Council.

City Manager confirmed that staff would apply for any available grants for this project.

Mayor Steenrod stressed the importance of updating the plan in a timely manner.

City Manager Piasecki confirmed that the City was working to develop a disaster recovery plan.

Councilmember Sherman suggested that the City's website contain links to other sites that would help citizens prepare for emergency situations.

VOTE ON MOTION: Motion passed unanimously.

Interim Chief Tucker informed Council that six patrol cars were currently equipped with video cameras. The equipment recorded whenever the light bars were activated.

City Manager Piasecki said that ongoing costs for the replacement of the units would be included in the budget.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Petersen, and passed unanimously to approve Unmet Need No. 12 (six video cameras for police vehicles).

MOTION was made by Councilmember Sherman and seconded by Councilmember Sheckler to continue discussion of 2004 Budget policy issues to a special meeting on December 22, 2003 and to reserve December 23, 2003 in case additional time was needed.

Councilmember Sherman said that he preferred for all Councilmembers to participate in the budget discussions as it was a major issue.

In order to save time, Councilmember Thomasson said that Council could address the first year costs of the proposed Capital Improvement Plan immediately but delay discussion of the later years.

VOTE ON MOTION: Motion passed unanimously.

NEXT MEETING DATE – Regular Meeting, December 18, 2003 ***[Editor's Note: The December 18, 2003 was subsequently canceled. The next special meeting of the Council was called for December 22, 2003 at 6:00 p.m.]***

ADJOURNMENT

At 10:29 p.m., **motion** was made by Mayor Pro Tem Benjamin, seconded by Councilmember Petersen, and passed unanimously to adjourn the meeting.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk

ACTION ITEM FROM DECEMBER 11, 2003 MEETING

- Update proposed 2004 budget as directed.