SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES June 26, 2004

The special meeting of the Des Moines City Council was called to order at 9:00 a.m. by Mayor Sheckler at the Heathman Lodge, 7801 Greenwood Drive, Vancouver, WA.

ROLL CALL - Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Dan Sherman, Maggie Steenrod (arrived at 11:07 a.m.), and Susan White. Absent: Councilmembers Richard Benjamin and Gary Petersen. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch (arrived at 11:00 a.m.), City Attorney Linda Marousek, Chief of Police Roger Baker (arrived at 11:00 a.m.), Public Works Director Tim Heydon (arrived at 11:00 a.m.), Community Development Director Judith Kilgore (arrived at 11:00 a.m.), Finance Director Paula Henderson (arrived at 11:00 a.m.), Park and Recreation Director Patrice Thorell (arrived at 11:00 a.m.), Harbormaster Joe Dusenbury (arrived at 11:00 a.m.), Deputy City Clerk Angela Chaufty, and Facilitator Michael Pendleton.

DISCUSSION ITEMS

Group Development

Facilitator Pendleton led Council in a discussion regarding group development and interaction. He identified the five stages of group development as forming, storming, norming, performing, and adjourning. Mr. Pendleton urged Council to adopt guidelines for resolving conflicts. He distributed sample city council working protocols and agreements. Mr. Pendleton stated that the purpose of the protocols was not to create a like-minded Council on policy issues but to form an effective group.

In regard to Comments from the Public, Councilmember White stressed the importance of Council acknowledging the speaker’s concerns.

Councilmember Sherman suggested that each Councilmember be given two to three minutes at the Council meetings to communicate information not related to Board and Committee Reports.

Council concurred that staff should draft the following revisions to the Council Rules and Procedures:

- Add a new item of business entitled “Councilmember Comments” to the agenda.
- Define “Board and Committee Reports” as reports concerning official meetings attended in his/her official capacity as a Councilmember.
- Define “Councilmember Comments” as reports or statements regarding items of concern.
- Limit each Councilmembers’ comments under “Councilmember Comments” to 2 – 3 minutes.
- Do not allow motions during Board and Committee Reports or Councilmember Comments. Emergency situations requiring Council direction shall be dealt with by obtaining general Council consensus.

At 10:15 a.m., the meeting recessed for fifteen minutes.

Facilitator Pendleton led Council in a discussion regarding the role of the Mayor.

Councilmember White stated the importance of having a representative of the City visible in the surrounding communities. If the Mayor was unable to attend a meeting, he should try to arrange for a Councilmember to attend meeting in his place.

Council expressed concern that they had often been unable to address all of the items of business on agendas.

Facilitator Pendleton stated that, as a corporate board, Council had a responsibility to conduct business. He stressed the importance of quality policy debate and said that, if necessary, the Mayor should invoke Robert's Rules of Order to accomplish business. The Chair should focus the discussion on new information and Council should avoid repetitive statements of positions.

Facilitator Pendleton then focused the discussion on Council/Staff relationships.

Upon questioning, City Manager Piasecki stated that Council could assist staff by being prepared to discuss the agenda items and to notify staff of any specific questions prior to the meeting. Then, staff could be prepared with an appropriate response.

Councilmember White said that the City Manager evaluation process should be followed-up on.

Council confirmed that they appreciated the reminder calls from staff regarding committee meetings and executive sessions.

At 11:00 a.m., Chief of Police Baker, Harbormaster Dusenbury, Finance Director Henderson, Public Works Director Heydon, Community Development Director Kilgore, Assistant City Manager Loch, and Parks and Recreation Director Thorell joined the meeting.

Preliminary 2005 Budget Discussion

City Manager Piasecki introduced the subject. He informed Council that, with no new revenue sources, a $3,000,000 gap between expenditures and revenues was anticipated. The gap was primarily due to the effects of Initiatives 695, 747, and 776. In order to address the shortfall, each department director had been asked to identify departmental cuts equal to 5%, 10%, 15%, and 20%. The department directors were asked to present their proposed cuts for each level.

At 11:07 a.m., Councilmember Steenrod joined the meeting.

Assistant City Manager Loch reviewed the proposed cuts for the Executive, Record Services, Personnel, Community Information, and Information Services budgets.

Facilitator Pendleton urged Council to consider the legal requirements and implications of the proposed cuts throughout the discussion.

City Manager Piasecki identified the proposed cuts for the Judicial budget.

Finance Director Henderson reviewed the proposed cuts to the Finance budget.

City Attorney Marousek described the proposed cuts to the Legal budget.

Community Development Director Kilgore detailed the proposed cuts to the Building, Plan Development, and Development Services budgets.

Councilmember Steenrod urged staff and Council to consider solutions that would automate customer services such as fax-on-demand and automated inspection scheduling.

At 11:55 a.m., the meeting recessed for lunch.

At 1:00 p.m., the meeting reconvened.

Park and Recreation Director Thorell identified the proposed cuts for the Parks, Administration, Recreation, Senior Services, Senior Programs, All City Buildings, and Human Services budgets.

Although the Marina was not funded through the General Fund, City Manager Piasecki noted that its debt service was expected to increase in the next years in order to cover improvements. Therefore, the Harbormaster had also been asked to identify cuts at the 5%, 10%, 15%, and 20% levels.

Harbormaster Dusenbury stated that the goal of the Marina was to have service revenues fully cover the costs of providing service. In order to meet this goal, the ending fund balance must consistently be increased. Harbormaster Dusenbury reviewed the identified cuts for the Marina budget.

Chief of Police Baker detailed the proposed cuts to the Police Department.

Public Works Director Heydon detailed the proposed cuts to the Engineering, Streets, Equipment Rental, and Surface Water Management budgets.

Mayor Pro Tem Thomasson stated that, like the Marina, Surface Water Management was not funded through the General Fund. Therefore, he did not believe the division should be asked to make the same level of cuts as those that are funded through the General Fund. He noted that the Surface Water Management program was self-supporting. Mayor Pro Tem Thomasson said that the General Fund should be evaluated to determine whether any other services should be charged to the Surface Water Management budget.

At 2:17 p.m., the meeting recessed for fifteen minutes.

City Manager Piasecki identified the following potential revenue sources:

- Council could impose a Business and Occupation (B&O) tax
- Council could increase fees
  - Sponsorship sign fees
  - Permitting fees – Not advisable as fee must cover service only.
  - Recreation fees – Not advisable as fees are already high compared to the rates of other jurisdictions.
- Council could adopt parking fees

Potential sites: Steven J. Underwood Park, Zenith Park, Des Moines Beach Park, Streets, Marina

- Voters could approve a levy lid lift
- Voters could authorize up to an additional 3% utility tax
- Voters could adopt a Park and Recreation Special District

Mayor Pro Tem Thomasson questioned whether Council was willing to take action. He stressed the importance of Council maintaining credibility.

Councilmember Sherman noted that an employee headcount fee was another available revenue option.

Finance Director Henderson noted that a assessing the existing utility tax rate to Surface Water Management would provide approximately $70,000.

Council concurred that they were willing to respond to both the short and long-term budget needs of the City. They stressed the importance of educating the community on the budget issues.

Councilmember Steenrod said that citizens do not trust that their dollars are being spent responsibly. The City needs to evaluate how business is done and identify the most efficient use of its citizens' money.

Councilmember White cited Bremerton and Kent as examples of communities that have developed ideas that have encouraged the citizens to pay for services via sales tax rather than through increased taxes. She said that the Council should create a vision for the City and involve the employees and citizens in accomplishing the goal. Councilmember White stated that the City's development process should be streamlined and a business incentive plan developed.

Mayor Pro Tem Thomasson suggested that Council identify various levels of service packets so that the public could chose their desired level of service. He said that the goal of economic development had not yet been defined by Council.

Park and Recreation Director Thorell spoke in support of focusing on economic development now.

Facilitator Pendleton urged Council to consider non-residents' perception of Des Moines. He said the perception of a City was a leadership issue.

Community Development Director Kilgore said that economic development was essential to maintaining the livability of Des Moines.

Mayor Sheckler voiced agreement. He said that the community must create the vision while government enables it to become a reality.

Councilmember Steenrod said that a mechanism which identified how employees spend their time would aid Council in identifying cuts.

Councilmember Sherman recommended implementing 5% expenditure cuts with a levy lid stabilization against potential loss. If I-864 did not receive enough signatures, he recommended the following measures:

- Implement 5% level cuts;
- Defer capital replacement funding; and
- Do not utilize reserve money;

Councilmember Sherman said that he was not ready to support asking the voters to increase the utility tax but he was willing to discuss the issue.

Mayor Pro Tem Thomasson confirmed that the budget estimates did not include the expenditures recently adopted by Council. If Council was unwilling to ask the voters for additional funding, he recommended the implementation of the 10% level cuts.

Councilmember White voiced a preference for allowing the voters to vote on a levy lid lift regardless of the outcome of I-864.

Facilitator Pendleton identified the following issues before Council:

- Develop a community-based process to generate support and excitement for the vision of Des Moines.
- Cut expenditures from the budget.
- Identify short-term revenue sources.

Councilmember Steenrod identified diversity as a strength of Des Moines. It gave the communities permission to be flexible and unique. Councilmember Steenrod recommended that Council nurture the diversity and character of the five areas in Des Moines and link them together, through transportation, to the downtown area.

At 4:10 p.m., Facilitator Pendleton declared a five-minute recess.

Councilmember Sherman suggested that Council decrease expenditures $1,000,000 per year for three years.

Mayor Pro Tem Thomasson stated that, from a sustainability approach, the City should only use one–time revenues for capital improvements. Building and plan review fees should be set aside for staff’s salaries resulting from the services provided. The development fees should include all costs of development. Mayor Pro Tem Thomasson said that the City needs to live within their revenues. The budget problems have only been masked so that the public does not even realize that there is a problem.

Assistant City Manager Loch asked Council to consider the impact on employee morale if cuts are implemented in incremental stages.

Facilitator Pendleton suggested Council implement the cuts in one measure. He said that Council was obligated to inform the community of the impacts of the cuts.

Councilmember Steenrod agreed that the morale of employees and citizens needed to be considered. She said that flexibility needed to be built into staff and citizen interactions. Councilmember Steenrod recommended asking the department directors to identify three things that would improve efficiency in their department.

Councilmember White voiced support for interdepartmental consolidation of duties (job-sharing).

Facilitator Pendleton said that the next day's agenda would include

- Identification of the major elements of a budget balancing package,
- Identification of the range of packets to be considered, and
- Identification of a communication strategy.

Mayor Pro Tem Thomasson said that he did not want to cut at the 20% level without presenting a revenue option to the voters. He stressed the importance of intentionally educating the voters. Mayor Pro Tem Thomasson suggested that health benefits be pro-rated for eligible part-time employees.

Councilmember Sherman identified salaries as the largest component of the budget expenditures. He said that the employees should be offered the opportunity to take a salary reduction in order to save jobs.

NEXT MEETING DATE – Special Meeting, June 27, 2004

ADJOURNMENT

At 5:02 p.m., the meeting adjourned.

Respectfully submitted,

Angela M. Chaufty
Deputy City Clerk