

SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES

September 30, 2006

The special meeting of the Des Moines City Council was called to order at 9:14 a.m. by Mayor Sheckler at the Des Moines Activity Center, 2045 S. 216th St, Des Moines, WA.

ATTENDANCE – Present: Mayor Bob Sheckler, Mayor Pro Tem Scott Thomasson, Councilmembers Dan Sherman, Susan White, Carmen Scott, Dave Kaplan and Ed Pina. Also present were City Manager Tony Piasecki, City Attorney Linda Marousek, Planning Building and Public Works Director Grant Fredricks, Finance Director Paula Henderson, Finance Operations Manager Cecelia Pollock, Parks, Recreation and Senior Services Director Patrice Thorell, Police Chief Roger Baker, Court Administrator Jennifer Henson, Harbormaster Joe Dusenbury and Permit Specialist David Steen.

DISCUSSION AND DIRECTION REGARDING THE 2007 BUDGET

In an attempt to offer an overall look at upcoming budget needs, this meeting followed the outline of reports from Finance Director Paula Henderson, from a 2006 budget update through August through the Department Reviews and City Manager Recommendations for the 2007 budget.

Mayor Sheckler asked Finance Director Henderson to begin her report. She first gave a financial update for 2006 through August. She noted these factors having particular effect on General Revenues:

- Gambling tax revenue is down mostly due to smoking ban. One expected new establishment will not open. Another is temporarily closed.
- Telephone utility taxes are declining as some of the public move to digital telephone options like Vonage.
- Crime Free Housing Ordinance enforcement has raised revenues.
- Licenses and Permits are running at about 103% of budgeted expectations to date.

At 9:40 a.m., City Attorney Linda Marousek joined the meeting.

Some discussion centered on the question of “one time money.” Director Fredricks noted that commercial building projects valued in excess of \$5 million are included in that category. At Councilmember Kaplan’s request, Director Henderson listed the Critical Area Ordinance Update, other Land Use work, and the Emergency Management Consultation as using “one time money.” City Manager Piasecki also mentioned that several Building and Development Staff positions are funded as well, which we will not need if and when the large projects dwindle.

Director Henderson mentioned that the \$500,000 transfer into the Revenue Stabilization Fund will not happen this year. City Manager Piasecki expressed confidence that large projects at Judson Park Retirement Home and other locations will make the dollars available in 2007.

After a brief discussion of election expenses coming from the Legislative Budget, Councilmember Kaplan noted that King County gets a “double charge” for elections: property taxes are collected directly from citizens, and then the cities pay as well. Councilmembers Pina and White offered to raise that issue at the next Suburban Cities meeting.

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At 10:25 a.m. Mayor Sheckler called for a break. At 10:40 a.m., he called the meeting back to order. Mayor Pro Tem Scott Thomasson left the meeting.

Beginning the discussion of 2007-2008 Revenue Forecasts, Finance Director Henderson noted that the Levy Lid lift as well as the Omitted Assessment Levy would provide significant property tax revenue increases.

Questions came from Councilmembers Pina and Kaplan regarding the possible disincentive to business represented by the Business and Occupation Tax. City Manager Piasecki pointed out that this is only a .2% tax. Director Henderson also mentioned that businesses which have \$75,000 or less in revenues are only required to report once a year, reducing their administrative burden, while businesses with less than \$50,000 in revenues do not pay the tax at all.

There was significant discussion regarding the Crime-Free Rental Housing revenue forecasts. First, the question was whether it will stand if there is a lawsuit from rental property owners. City Attorney Marousek stated that since the money received is a fee for service, then according to case law and constitutional law it seems likely a lawsuit could be defeated. She also mentioned that even though her department has responded to three massive Requests for Public Documents, there has been no such suit. She stated her opinion that this probably means smart lawyers are seeing that they probably would not prevail.

Second, discussion centered on how the City is finding the rentals, especially single-family homes. Police Chief Baker mentioned that officers responding to disturbance calls routinely include questions about whether homes are rented. He also mentioned that Code Enforcement Officer Uhrich is able to compare ownership records with the names of utility payers for some properties. Mayor Sheckler suggested it might be good to make a project of that comparison.

At the end of the morning, City Manager Piasecki noted that base revenues are projected to rise over the next two years.

At 11:50 a.m. Mayor Sheckler suggested a half-hour break for lunch. At 12:20 p.m. he reconvened the meeting.

Councilmember Sherman suggested it seems like a good time to consider bringing back the position of Assistant City Manager. City Manager Piasecki noted that this was represented in his recommendation of a new expenditure of \$127,164, adding that in addition to helping with day to day personnel issues, coordination of the Capital Improvement Plan, feasibility studies and other special projects, an Assistant City Manager would free the City Manager for more time with Councilmembers and Intergovernmental Relationships.

Mayor Sheckler confirmed his support for Councilmember Sherman's suggestion and asked for other feedback from other Councilmembers. Councilmember Pina suggested it would be best to look at the overall picture of the budget first, and then come back to the issue of the Assistant City Manager. Councilmember Scott noted that until Corbitt Loch left, there had been an Assistant City Manager since 1978, adding that she thought it was a very important need for the City.

When Councilmember White strongly suggested that Councilmember Compensation needs some way of being addressed for future needs, the discussion led to Mayor Sheckler's commitment to

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a Study Session in early 2007. It was noted that this is a sensitive item and that Council's actions cannot raise present members' salaries.

During a discussion of the proposed Executive budget a strong consensus developed around increasing the number of "City Currents" publications from two to four each year, adding about \$9,000 in expense.

At 1:50 p.m., Mayor Sheckler called for a brief break. At 2:00 p.m. he called the meeting back to order. During this break Councilmember White left the meeting.

The City Attorney's need for \$20,900 for external Legal Services for special cases was understood to relate to its work supporting the Police Department. Councilmember Kaplan suggested using "one time money" to hire an attorney rather than using Lid Lift money. City Attorney Marousek noted her own preference for hiring staff over using outside services.

Parks, Recreation and Senior Services Director Thorell noted that the variances in the Department's budget mostly represent an attempt to regain abilities that have been lost over the last five years. She pointed out the need for new software that would allow a return to only registration for programs again. She also mentioned the need to purchase portable staging since we have over 20 events each year that need it.

It was agreed that another 3-hour retreat meeting would be needed to complete this budget discussion. Saturday, a.m., October 7, was suggested. The Mayor and City Manager indicated they would follow up with scheduling.

At 2:45 p.m., Mayor Sheckler adjourned the meeting.

Respectfully submitted,
Dave Steen