PRELIMINARY
REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES November 14, 2002

At 6:30 p.m. Harbormaster Dusenbury announced that Council is in Executive Session and it is expected to continue approximately 10 more minutes.

At 6:45 p.m. City Clerk Staab announced that the Executive Session is expected to continue approximately another 5 minutes.

The regular meeting of the Des Moines City Council was called to order by Mayor Wasson at 7:00 p.m. in the City Council Chambers, 21630 11th Avenue South, Suite B.

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

ROLL CALL - Present: Mayor Don Wasson, Mayor Pro Tem Richard Benjamin (left the meeting at 8:51 p.m.), Councilmembers Gary Petersen, Maggie Steenrod, Scott Thomasson and Susan White. Absent: Councilmember Bob Sheckler. Also present were City Manager Tony Piasecki, Assistant City Manager Corbitt Loch, City Attorney Linda Marousek, Finance Director Paula Henderson, Harbormaster Joe Dusenbury and City Clerk Denis Staab.

> **MOTION** was made by Mayor Pro Tem Benjamin, seconded by Councilmember White and passed unanimously, to excuse Councilmember Sheckler.

COMMENTS FROM THE PUBLIC

John Ayar, 29410 1st Avenue South

> Mr. Ayar requested permission to submit a letter for Council's consideration regarding his preliminary plat, Mediterranean Heights.
>
> City Attorney Marousek expressed some concern since this letter will pertain to a specific proposal and development, that there could be the potential of prejudicing the Council in regards to any future hearing on this plat. However, she noted that Council can read the letter if they choose and divulge this fact at any future hearing on the subject matter.
>
> Mr. Ayar gave the City Clerk letters for distribution to Councilmembers.

Elaine Ward & Chris Listfield, 1530 Westlake Avenue North #600, Seattle, AT&T Wireless Employees

> Ms. Ward and Mr. Listfield informed Council that AT&T had applied for a Permit under the City's current code. They stated that their original application has been pending for more than 160 days. They questioned when will the Council act on a Telecommunications Code update. They noted that the subject has been pulled from several agendas, and they would prefer to apply under new regulations. They concluded by noting that they have sent a letter requesting Council re-adopt a telecommunication code without any further delays.
>
> City Attorney Marousek advised that the draft ordinance is at least 62 pages and she did not have time to have the document to Council for this meeting.

Councilmember Thomasson questioned the speakers whether they were aware that they can apply under the City's current laws by using an Unclassified Use Permit. Mr. Listfield replied in the affirmative.

Councilmember Thomasson advised Ms. Ward and Mr. Listfield that Council's agendas are very full and the most important priority at this time is budget issues. He noted that the last time the telecommunications code was adopted it took Council months to finish. He further advised that with a 62 page ordinance to review it could take quite awhile to be at a point to re-adopt a new Code and encouraged them to use the Unclassified Use Permit.

City Manager Piasecki stated staff will try to have the draft ordinance ready for the November 21st Council meeting.

Clarice James, 23459 27th Avenue South, Director Des Moines Chamber of Commerce

Ms. James advised Council on the following items:

- Attended a seminar in Tacoma, sponsored by the Trade & Economic Development of the State of Washington called "Building a Customer Friendly Downtown". Hope to implement some of the ideas and programs. Also working with Susan Kemp, Downtown Revitalization Coordinator and the Southwest Chamber of Commerce to set up some joint chamber seminars regarding this topic. She encouraged any Des Moines Councilmembers who can attend a Trade & Economic Development Institute planned for May in Chelan to do so.
- Working with Park and Recreation Department for the "Snow Day". The Chamber will sponsor a Holiday Happenings Event at the Big Catch Plaza. Plan to have a carousel, refreshments, Santa photos, and caroling. The event will be on December 14, 15, 16, 21 and 22, 2002.

Tom Sitterley, 601 South 227th

Mr. Sitterly spoke against the proposed Marina Bond Ordinance. He noted that never before has tax payer dollars been spent on the Marina. He cited this idea as being too risky particularly in light of the declining revenues at the Marina. He also spoke against retiring the Marina Revenue Bonds and this would eliminate current restrictions on current marina expenses and would reduce the amount of required Marina reserves.

Dianne Jacobson, Owner of Des Moines Business, Corky Sellers

Ms. Jacobson addressed Council on behalf of the Business Boosters of Des Moines. She invited everyone to attend an event on November 29, 2002 at 6 p.m., "Light up Des Moines Holidays". This event will be the official lighting of the Holiday tree at Big Catch Plaza. Santa will be in attendance and refreshments will be served. She noted the purpose of the "Business Boosters" is to encourage new businesses to locate in Des Moines and existing businesses to spruce-up their establishments. She advised that their main goal is the revitalization of the downtown corridor and they look forward to working with all interested citizens and groups.

Gary Heisel, 23003 Marine View Drive

Mr. Hiesel requested Council consider removing the automatic cost of living increase for moorage at the Des Moines Marina. He noted the COL keeps raising the cost of moorage while things in need of repair and upgrade, such as power and the restrooms, keep deteriorating.

BOARD & COMMITTEE REPORTS

Municipal Facilities Committee

Councilmember Steenrod advised that the Marina Bond issuance will be before the Council this evening to help fund the Marina Master Plan.

Councilmember Steenrod reported that demolition is underway for the Senior Center Annex remodel. City Manager Piasecki advised that construction contracts have been signed and that there has been an initial meeting with the Contractor to begin laying out the entire plan. Construction should be underway shortly. Councilmember Steenrod advised that the goal is to have the center ready shortly after the first of the year.

Finance & Economic Development Committee

Councilmember Steenrod reported that the Committee is still crunching numbers on the budget. She advised that the Committee is taking a close look at contingencies as it appears that unforeseen costs are rising higher than first anticipated.

City Manager Review Committee

Councilmember Thomasson advised that a packet of information will be distributed to Committee members next week.

South King County Transportation Board

Councilmember White reported that a meeting is scheduled for next Tuesday and discussion will center around what is next in light of the results of the recent election.

Public Safety & Transportation Committee

Mayor Pro Tem Benjamin noted that the Committee is concerned over the crosswalks on Marine View Drive and draft legislation will be presented to Council at a later meeting date for consideration.

Ad-hoc Mt. Rainier Pool Committee

Mayor Pro Tem Benjamin reported the Committee has been working very hard to keep the pool open. A draft agreement is now being reviewed by various surrounding city council's for a financial commitment towards keeping the pool open. This will be before Des Moines Council on an upcoming Agenda. The Committee is optimistic that an agreement can be reached.

PRESIDING OFFICER'S REPORT

Authorization to Sign Letter

Mayor Wasson noted he has been requested by the Airport Communities Coalition to sign a joint letter to the Army Corps of Engineers. He will place this item on the Agenda for later tonight for Council's concurrence to authorize him to sign.

ADMINISTRATION REPORTS

Fishing Pier Repairs Update

Harbormaster Dusenbury, with the aid of a power point presentation, explained the damage to the pier and the process involved for returning the pier back to 100% of design strength. He advised that the damage is very repairable and it is estimated that costs will run around $20,000.

He noted that a change order in the final amount will come before Council for approval very soon.

Upon questioning by Council as to whether the damage could have been caused by the earthquake and if a FEMA application had been applied for, Harbormaster Dusenbury stated that the earthquake very likely caused the damage, but this would be hard to prove. He further noted that only 3 pilings will need a "re-cast" jacket.

Mayor Wasson noted that this recommendation is from the design engineers who originally designed the pier, and questioned what assurances the City has that they are doing a proper job. Harbormaster Dusenbury replied that he certainly can get a 2nd opinion, however, the average life of such a concrete structure is around 40 years.

Mayor Wasson expressed concern that the proposal is not adequate and is too expensive. He further noted that even incasing the steel in concrete will not prevent further rusting, which will eventually crack the concrete. He advised that he wants some kind of assurance or warranty that the repairs are adequate.

Request for Action Form

Councilmember Steenrod questioned when a City wide form will be available to track complaints, questions, etc.

City Manager Piasecki advised that staff is currently reviewing various forms and developing procedures for a tracking system. He expects a final form to be available sometime in the next few weeks to a month.

CONSENT CALENDAR was read by City Clerk Staab.

~~1. Motion is to approve the minutes of October 24, 2002~~. [ED NOTE: Item removed by Councilmember Steenrod.

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.

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 #82996 through #83208 & electronic fund transfers in the total amount of $1,119,094.91

Payroll fund transfers in the total amount of $346,928.17

3. Motion is to authorize the City Manager to approve all vouchers for payment of the following claims during the period of November 15, 2002 through December 5, 2002:

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 December 12, 2002 Council Meeting.

4. Draft Ordinance No. 02-245 ***[ASSIGNED ORDINANCE NO. 1310]*** - Title: An Ordinance of the City of Des Moines, Washington, relating to the acquisition by eminent domain of a certain portion of property in the City of Des Moines necessary for construction and maintenance of the Pacific Highway South Improvement Project; describing the public convenience, use and necessity of such property; providing for the condemnation, appropriation and use of the

property; providing the mode of payment of cost of acquisition of the property; and directing the City Attorney to prosecute such action in King County Superior Court.

TWO MOTIONS: First motion is to suspend Council Rule 26(b). Second motion is to approve Draft Ordinance No. 02-245.

~~5. Motion is to enter into the submitted agreement with Puget Sound Energy for the design of undergrounding the distribution system on Pacific Highway South and to authorize the City Manager to sign said agreement substantially in the form as submitted.~~ [ED NOTE: Item removed by Councilmember Steenrod.]

6. Motion is to approve entering into an agreement with South County Area Transportation Board for a period of three years, ending December 31, 2005, and for the City Manager to sign said agreement substantially in the form as submitted.

7. Motion is to approve the addendum to the Interlocal agreement with Yakima County for jail services and authorize the City Manager to sign said addendum substantially in the form as attached.

~~8. Draft Resolution No. 02-257 - Title: A Resolution of the City of Des Moines, Washington, in cooperation with the Greater Des Moines Chamber of Commerce, establishing downtown revitalization as a priority~~.

~~MOTION is to approve Draft Resolution no. 02-257.~~ [ED NOTE: Item removed by Councilmember White.]

Councilmember White requested that consent item 8 be removed.

Councilmember Steenrod requested that consent items 1 and 5 be removed.

Councilmembers Petersen and Steenrod advised that they will not participate in the voting of consent item 4.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Steenrod, to pass the Consent Calendar as amended. Motion passed unanimously.

ITEMS REMOVED FROM CONSENT CALENDAR

Consent Item #8 - Draft Resolution No. 02-257 Establishing Downtown Revitalization as a Priority in Cooperation with the Greater Des Moines Chamber of Commerce

Councilmember White suggested that the draft resolution be remanded to the Finance & Economic Development Committee to determine what costs might be involved. She also noted that Council is also focussed on development in the Pacific Ridge Area which should not be excluded. She further noted that the resolution should not be limited to just working with the Chamber of Commerce as there are other groups such as the Des Moines Business Boosters. She advised that she cannot support the draft resolution.

Councilmember Thomasson felt that the draft resolution sets the downtown area apart from the Pacific Highway South area and he would rather all business areas be included. He also noted that the resolution is vague in the actual purpose and goal.

Councilmember Steenrod noted that the downtown area is the key element as the Pacific Highway South area has been rezoned. She felt the emphasis of the resolution is to get moving on revitalization, although she expressed agreement that there should be specific purposes and goals.

Mayor Pro Tem Benjamin advised that the downtown revitalization is important to the overall financial health of the City and feels the City needs a more formal relationship to work together with the Chamber of Commerce and that this resolution is important to show City support of downtown revitalization and economic development.

Mayor Wasson stated that it is a historic fact that the City has not been very supportive of the business community. He felt that the proposed resolution does not target any expenditure of funds, but shows the City's wish to cooperate and assist the Chamber of Commerce. He does not feel there is any need to send this draft to the Finance Committee for study.

Councilmember White advised that in terms of revitalization it is very hard to force absent landlords to fix up business rental property if they choose not to.

Councilmember Petersen noted that he feels the draft resolution covers the whole City, including the downtown business area.

MOTION was made by Councilmember Petersen, seconded by Mayor Pro Tem Benjamin, to approve Draft Resolution 02-257. Motion FAILED 3 to 3, with Councilmembers Steenrod, Thomasson and White voting NO.

MOTION was made by Councilmember Steenrod, seconded by Councilmember Thomasson, to refer Draft Resolution No. 02-257 to the Finance & Economic Development Committee. Motion passed unanimously.

Consent Calendar Item #1 - Minutes of October 24, 2002

Councilmember Steenrod noted that Council recently passed a resolution that pre-set how Council committee minutes would be written and questioned why that was not being applied to City Council minutes to include action items at the end of the minutes.

City Attorney Marousek noted that the rule that applies and governs City Council minutes is governed by the Revised Code of Washington and Des Moines' Rules. She noted that a draft resolution regarding Rule 12, concerning the form of the City Clerk's minutes, is on the December 5th Agenda.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Steenrod and passed unanimously, to approve the Minutes of October 24, 2002.

Consent Calendar Item #5 - Agreement with Puget Sound Energy - Design of Undergrounding the Distribution System on Pacific Highway South

Councilmember Steenrod questioned how much it will cost the City to enter into this agreement.

Assistant City Engineer Andrews advised that final figures are not available, however, the agreement states that within a certain time frame Puget Sound Energy must give the City a firm dollar amount and then the City still has an option to get out of the agreement. She noted that the City had earlier signed an interim agreement and that Puget Sound Energy is 95% complete with the design, and the City would have to pay them for that amount of work.

Upon questioning, Assistant City Engineer Andrews advised that the funds are contained within the Pacific Highway South Project budget. The amount has been estimated at approximately $125 a foot for the undergrounding or approximately $750,000.

Councilmember Steenrod cautioned staff to always budget for the worse case scenario.

City Manager Piasecki advised Council that there is some flexibility within the Project budget. However, should Puget Sound Energy come up with a figure that is twice what was budgeted, staff will come back to Council.

Councilmember Thomasson cautioned staff to be sure Puget Sound Energy does not try to make the City pay for any extras, or upgrades, that they may need to deliver more capacity as the area may be redeveloped.

MOTION was made by Councilmember Thomasson, seconded by Councilmember White and passed unanimously, to enter into the submitted agreement with Puget Sound Energy for the design of undergrounding the distribution system on Pacific Highway South and to authorize the City Manager to sign the agreement substantially in the form as submitted.

Agenda Revision

Mayor Wasson announced that he will take Old Business Item #1 prior to the public hearings.

OLD BUSINESS

Preliminary 2003 Budget - Marina Capital Improvement Plan

Harbormaster Dusenbury reviewed the projects of the Phase One portion, along with estimated costs, of the Marina Master Plan as follows:

▪ Dry Stack Boat Storage	$1,150,000
▪ Upgrades to the Electric Power Distribution System	750,000
▪ Install Stand Pipe, (Fire suppression), system	150,000
▪ New Decking, N through H Docks	100,000
▪ Redondo Improvements - Construction Phase	450,000
▪ Expanded Guest Moorage - Design & Permits	685,000
▪ Replace North Seawall	985,000
▪ Leasehold Improvements to Boat Yard & Restaurant	75,000
▪ Remodel South Restroom	25,000
TOTAL	$4,370,000

Councilmember Thomasson noted that he will need more detail of specific items that will be contained within each of the listed proposals, such as the dry stack boat storage.

Harbormaster Dusenbury informed Council that each project will be brought before Council in detail. He noted that the dry stack storage phase I costs do include fencing and landscaping. Phase II will include pathways and a forklift.

Upon questioning by Council, Harbormaster Dusenbury advised that it is not necessary to replace docks at this time. He noted that Phase III which is planned for the year 2010 will include reconfiguration of the docks.

City Manager Piasecki commented that financially we cannot afford to implement the Marina Master Plan all at once. He noted that a bond issue is set to come before Council this evening to pay for the 1st phase of the plan.

Councilmember Thomasson cautioned against spending money on anything that may need to be redone in a later phase of the plan.

8:51 p.m. Mayor Wasson called for a 10 minute break. [ED NOTE: Mayor Pro Tem Benjamin left the meeting.]

NEW BUSINESS

Draft Ordinance No. 02-258 Marina Bonds - 1st Reading

Harbormaster Dusenbury noted that the draft ordinance will enable the City to issue bonds to finance the projects identified in Phase I of the Marina Master Plan that were reviewed in the previous agenda item. He introduced Lindsay Soude of Seattle Northwest Securities and Judy Andrews, the City's Bond Counsel, who are in attendance to help answer any questions.

Finance Director Henderson advised Council that the financial impact of issuing $5,460,000 in Limited General Obligations Bonds primarily provides for $4,270,000 in net proceeds to fund Phase One of the Marina capital improvements, and advance refunds the Marina Revenue Bonds of 1968, of which $1,037,000 in principal is currently outstanding. She noted that the advance refunding provides a release of the following bond covenants: 1) the Marina Revenue Bond and Interest Sinking Fund of $495,300; 2) the Repair and Replacement Reserve Fund of $300,000, and 3) debt service coverage requirement of the Marina annual net revenues to be equal to or greater than 1.50 times the average annual requirements for principal and interest of the outstanding bonds.

Finance Director Henderson continued by noting that the Bonds will have the following bond covenants: 1) debt service coverage requirement for the marina annual net revenues to be equal to or greater than 1.25 times the average annual requirements for principal and interest of the outstanding bonds, and 2) Debt Service Reserve requirement of $391,188. She advised that staff has concluded from analyzing Marina revenue and expense projections that the debt service coverage ratio of 1.25 times will be met and that the Marina has sufficient resources to pay the outstanding principal and interest on the bonds when due.

Councilmember Steenrod requested that Councilmembers be furnished with a copy of the spread sheets that were given to the Finance & Economic Development Committee that showed cash-flow projections.

Councilmember Thomasson requested that on page 3 of the draft ordinance, under definitions, that "Marina" be amended to include the Redondo portion.

Ms. Soude proceeded to detail for Council how bond ratings are determined. She noted for a small City such as Des Moines, asset value and financial status are key issues. She assured Council that Seattle-Northwest Securities, as the City's underwriter, will aggressively seek investors to sell the City's bonds at the lowest possible rate.

Councilmember Steenrod felt the City should borrow as much as possible to take advantage of low interest rates that currently exist. She further advised that she is comfortable retiring the old debt. However, she requested assurance that Marina funds stay within the Marina.

Upon Council concerns, City Manager Piasecki advised that staff will be sure there is a mechanism to guarantee that there shall be no deficiency in the Bond Fund, and that the Reserve Account shall have money and investments equal to the Reserve Requirement.

Upon questioning by Council, Ms. Stoudd advised that the figures will be available for Council approval at the November 21st Council meeting. However, she noted that the sale will not happen should the market be unfavorable.

Mayor Wasson requested that the Marina repair and maintenance covenants be attached to any new bond. He advised that there is an obligation to maintain the Marina that is not going to go away. City Manager Piasecki advised that this will be done.

After further discussion, Councilmember Steenrod requested that the last paragraph of page 24 of the draft ordinance, better reflect who is responsible in regards to the "city's obligations" and what is the due date.

MOTION was made by Councilmember Thomasson, seconded by Councilmember White and passed unanimously, to move Draft Ordinance No. 02-258 to a second reading on the November 21st Council agenda.

PUBLIC HEARING

Draft Ordinance No. 02-248 ***[ASSIGNED ORDINANCE NO. 1311]*** 2003 Property Tax Revenue - 1st Reading

Mayor Wasson introduced the subject and declared the hearing open.

City Manager Piasecki advised that at this time, the increase in utility value has not been received from king County. As such, the draft ordinance has been written so that property tax revenue will increase by 1.0%. He informed Council that the dollar increase over last year's levy, other than new construction and state-assessed property increases, is $20,859. He also advised that the general property levy rate will decrease from the current amount of $1.40 to $1.33 per $1,000 of assessed value, based on preliminary numbers.

Mayor Wasson called for public comments three times. As there was no one in attendance who wished to speak, Mayor Wasson CLOSED the public hearing.

MOTION was made by Councilmember Thomasson, seconded by Councilmember White and passed unanimously, to suspend Council Rule 26(b) in order to enact Draft Ordinance No. 02-248 on first reading.

MOTION was made by Councilmember Thomasson, seconded by Councilmember White to approve Draft ordinance No. 02-248.

Councilmember Thomasson read the draft ordinance by title into the record.

VOTE ON MOTION: Motion passed unanimously.

PUBLIC HEARING

Draft Ordinance No. 02-246 Adopting 2003 Budget - 1st Reading

Mayor Wasson introduced the subject and declared the hearing open.

City Manager Piasecki noted that the budget has been discussed in detail over the last several months.

Mayor Wasson called for public comments.

PUBLIC COMMENTS

Bob Ponds

Mr. Ponds suggested that the City Council close down the King's Arm Motel. He noted this would save around the $700,000 that it currently costs for police patrol services due to high crime at this facility.

As there were no further speakers wishing to address Council, Mayor Wasson announced that the Public Hearing will be CONTINUED to the November 21, 2002, City Council meeting to allow for any additional public comments.

NEW BUSINESS

Request for Mayor's Signature on Joint Letter by Airport Communities Coalition (ACC)

Mayor Wasson requested consensus from Council to sign a joint letter from ACC to the U.S. Army Corps of Engineers requesting denial of the Port's application for 404 permit approval.

Councilmembers expressed unanimous consensus for the Mayor to sign the letter.

Proposed Settlement

City Attorney Marousek advised that a settlement agreement has been reached in the matter of Kaplan and Prenevost v. the City and requested Council approval.

Councilmember White announced that she is recusing herself from participation in this matter.

MOTION was made by Councilmember Steenrod, seconded by Councilmember Thomasson, to approve the Settlement Agreement and Release in the matter of Kaplan and Prenvevost v. the City of Des Moines, King County Superior Court Case No. 01-2-34121-9KNT, and to authorize the City Manager to sign the Agreement, as approved by the City Attorney, on behalf of the City substantially in the form as submitted, with the cost of the City's settlement contribution not to exceed $500.00 in materials and labor to be paid from the SWM fund. Motion passed 4 to 0, with Councilmember White abstaining.

Straightening Des Moines Eastern Boundary

It was noted that this matter was placed on the agenda at the request of Mayor Wasson to determine whether Council wished to initiate discussion with the cities of Kent and Federal Way regarding the irregular eastern boundaries.

10:29 p.m. **MOTION** was made by Councilmember Steenrod, seconded by Councilmember Petersen, to extend the meeting another 5 minutes. Motion passed.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Steenrod and passed unanimously, to direct Administration and the Mayor, to initiate discussions with the City of Kent in regards to the irregular eastern boundary.

MOTION was made by Councilmember Thomasson, seconded by Councilmember Steenrod, to direct staff to re-open negotiations concerning Des Moines eastern boundary with the City of Federal Way, under the Agreement relating to Potential Annexation Area Designation.

NEXT MEETING DATE

Mayor Wasson announced that the next regular meeting will be November 21, 2002.

ADJOURNMENT

At 10:36 p.m. **MOTION** was made by Councilmember Thomasson, seconded by Councilmember Steenrod and passed unanimously, to adjourn the meeting.

Respectfully submitted,

Denis Staab
City Clerk