

## SPECIAL MEETING DES MOINES CITY COUNCIL

MINUTES

November 8, 2008

The special meeting of the Des Moines City Council was called to order at 9:19 a.m. by Mayor Sheckler at the Des Moines Activity Center, 2045 South 216<sup>th</sup>.

ROLL CALL – Present: Mayor Bob Sheckler, Mayor Pro Tem Dan Sherman, Councilmembers Dave Kaplan, Ed Pina, Susan White. Councilmember Scott attended from 10:30 a.m. to 12:00 p.m. Absent: Councilmember Scott Thomasson. Also in attendance were City Manager Tony Piasecki, Assistant City Manager Lorri Ericson, Finance Director Paula Henderson, Planning, Building and Public Works Director Grant Fredricks, City Attorney Pat Bosmans, Harbormaster Joe Dusenbury, and Assistant Director of Utilities & Environment Engineer Loren Reinhold, Parks & Recreation Director Patrice Thorell, Assistant Director of Transportation Engineering Dan Brewer and Clerk Autumn Lingle.

### OLD BUSINESS

#### 2009-2014 Capital Improvement Plan

##### Marina Operating Budget

###### Revenue

Harbormaster Joe Dusenbury presented the Marina Operating Budget. He stated revenues were fairly flat. The sling launch use is slightly down. This is due in part to the increase of fuel costs and lack of fishermen (the Chinook run is nonexistent affecting fishing). Mayor Pro Tem Sherman noted this indicates the City will not be able to capture the costs required to operate the launch.

###### Administration

Harbormaster Dusenbury stated there is no increase in FTE's. The City is actively renegotiating the tideland lease with the Department of Fisheries for the fishing pier and breakwater. An increase is expected. The lease rate is tied to the assessed value of the property.

###### Service Section

Harbormaster Dusenbury commented there is no change in FTE. Fuel costs are mercurial so estimates for the budget are difficult to forecast. Slip vacancies are seasonal for the smaller slips. The 28-foot and larger slips have a waiting list. City Manager Piasecki noted there is a plan to create two slip rates, a 6-month rate and a 12-month rate for the 20 and 24-foot slips. It will be coming back to Council.

###### Maintenance

The change in FTEs is due to the Assistant Harbormaster retiring. Although the position is in the budget, it is currently vacant as the City reassesses requirements for that appointment.

###### Repair & Replacement

This Fund is in place for unexpected occurrences. Presently the account has a balance of \$300,000. Authorization is up to \$1,000,000. The minimum balance allowed is \$300,000. Current authorization for fund contribution is \$100,000 per year up until the cap of \$1,000,000 is reached. Councilmember Kaplan stated he favors increasing the Marina operating fund

contribution from \$5,000 to \$20,000 so the City maintains a fund balance of \$300,000.  
Councilmember Pina agreed.

### Surface Water Management (SWM)

Assistant Director for Utilities & Environment Engineer Loren Reinhold stated the City is hitting its target of 30% of the rate revenues being transferred to CIP. Single-family homes are charged \$11.55 an EBU (Equivalent Billing Unit). Other uses are charge proportionately.

### National Pollution Discharge Elimination System ( NPDES)

The City is now tracking NPDES separately documenting everything related to those expenses including engineering. This is a change from last year. Currently costs are falling within the rate increase allowance. The City had \$40,000 in the budget for contracting NPDES services. In 2009, this will increase to \$50,000 and will ramp up to \$80,000 in 2010. The ending fund balance is \$800,000, which is almost 50% of the operating budget. The City's policy is to keep 40% ending fund balance for cash flow purposes.

### New Program Request #1

Increase the level of maintenance for SWM retention facilities. They must be current by February 2010. This requires an increase from \$20,000 to \$50,000. The proposal is for SWM to pay other employees within the city to provide this maintenance and possibly alleviate the need to cut one of the park maintenance workers. City Manager Piasecki indicated this would still cut the park maintenance position, but it would retain the employee who would then do work in another area.

### New Program Request #2

Reclassify one SWM maintenance worker to a lead position. The cost is about \$7600 and there is adequate funding to accomplish this. Councilmember Kaplan asked if it would affect the capital portion of the budget and PBPW Director Fredricks responded it would not. He stated if this were not done, we would need to reduce some projects because this person has been working out of class. Councilmember Susan White favors this proposal.

Councilmember Kaplan asked for positions to be documented in a different manner. PBPW Director Fredricks confirmed staff would do that.

Council consensus was to add the lead position, the new program and combined position to the SWM budget.

### Special Revenue Funds

#### Revenue Stabilization Fund

Finance Director Paula Henderson stated the revenue stabilization fund should be \$1,089,798. Currently the ending fund balance is \$817,994, leaving a deficit of \$272,000.

#### Airport Defense Fund

Finance Director Henderson recommends closing this fund. The balance has been transferred to the general fund with no remaining balance left in the fund.

**MOTION** was made by Councilmember Kaplan, seconded by Councilmember Pina, and passed unanimously, to direct Staff to draft an ordinance to eliminate the Airport Defense Fund.

Police Drug Seizure Fund

Potential expenditures have a placeholder for \$20,000. This revenue is dependent upon seizures. City Manager Piasecki noted the expenditures from this fund are only for activities that are drug enforcement related. In addition, he noted 10% of all funds collected are forwarded to the state.

Traffic Impact Fees

Money received must be transferred to the Arterial Street Fund and the specific projects identified there. Development Services estimated the revenue in this fund. PBPW Fredricks confirmed everything is tied to a project schedule.

Mount Rainier Pool Contributors

The pool will operate through 2009. City Manager clarified that the fund balance is the portion built up for capital.

Hotel and Motel Tax

Finance Director Henderson stated the \$20,000 forecast might be upgraded to \$23,000. This revenue is restricted by law to fund tourism related activities and currently goes to Seattle Southside for tourism.

10:20 a.m. Mayor Sheckler announced a break.

The meeting resumed at 10:28 a.m.

Councilmember Scott presented to Mayor Sheckler a gift from the Legacy Foundation.

The SWM utility tax ordinance was discussed and will be placed on the November 20th agenda.

MCI Parks Projects

Parks and Recreation Director Patrice Thorell reviewed completed 2008 projects as well as changes to existing projects. Some projects had to be extended due to the changes in real estate excise tax revenue.

Des Moines Creek Trail

The Des Moines Creek Trail will be completed with grants.

Des Moines Creek Beach Park

The following projects were discussed:

- Auditorium operating costs are approximately \$30,000. City Manager Piasecki stated auditorium would generate revenue, as it is very popular rental site for events.
- Grants would remain intact if there is a project delay.
- There is reserved REET for this project.
- Councilmember Scott stated the picnic shelter is the only remaining one from the Draper era and if it is not preserved the City might lose its historic facility designation.
- The playground equipment is unfunded. Mayor Pro Tem Sherman stated it is important and he had received citizen requests about it.

#### Des Moines Field House

Parks & Recreation Director Thorell presented an overview of the Field House. Councilmember Kaplan queried if all the Field House projects are scheduled for 2009. Originally, they were scheduled for 2008 but Director Thorell received an extension though 2009. Councilmember Kaplan queried about use restriction. Director Thorell stated it would not be useable for 9 months. Councilmember Kaplan queried about an operating revenue impact. Director Thorell responded there would be no revenue impact because the programs would be relocated to other facilities at no charge due to previous agreements.

The King County Parks levy will provide money to the City for trails. The City has not identified a project yet for this fund. Des Moines share is about \$50,000 per year. Director Thorell then provided an overview of potential projects. Discussion ensued about the need to connect the trails with community centers and other trails.

Councilmember Kaplan initiated discussion about unfunded items. He requested Staff expand the unfunded list to include those items that remain unfunded that are not C.I.P. For example repaying a loan from the revenue stabilization fund, facilities study, etc. He noted a laundry list of items and wants them prioritized by Council. When one-time money becomes available, Staff will know which items to fund. Council favored this proposal.

At 11:46 a.m. Council broke for lunch.

At 12:18 p.m. the meeting resumed.

#### Arterial Streets

Assistant Director for Transportation Dan Brewer updated Council on pavement management, stating the City is going backward due to budget constraints. City Manager Piasecki requested Council reconsider the chip seal option and indicated that Council could view and drive on the type of product the City is discussing on certain streets in Normandy Park. Mayor Sheckler asked about the lifespan of the road after chip sealing. Assistant Director Brewer responded it extends the lifespan of the road about 7 years. Chip sealing costs \$2.00-10.00 a square yard; overlaying costs run \$20.00 a square yard minimum (usually more) and depending on the condition of the road, it can be as much as \$150.00 a square yard. The number of Des Moines streets in poor condition has tripled in the last 6 years.

Councilmember Pina stated the City has to figure out a way to increase the funding contribution for this program because we are digging ourselves a hole. Council was unanimous that this should be part of the unfunded list that will be developed for allocation of one time money.

#### Bridge Replacement Advisory Committee (BRAC)

The City has applied for a \$2.1 million federally funded grant. It looks favorable and the outcome will be known in January.

Finance Director Henderson recapped existing debt for the City Hall expansion and Park Acquisition bond. In addition, she covered the 2004 PWTF loan payments, the 2006 Capital lease payments, information on the self-insurance fund and unemployment compensation. Indications are that the unemployment compensation fund is approximately \$66,000 short of the recommended minimum fund balance.

Councilmember Kaplan queried if the Park Acquisition bond would be paid off in 2009. Finance Director Henderson confirmed it would be paid off on June 1, 2009.

City Manager Piasecki recapped the 2009-operating budget. The deficit is currently \$466,835. Assuming the utility tax passes it would add \$120,000 revenue leaving the deficit at \$346,835. He stated cutting the plans examiner and permit technician positions equal \$148,992. He noted there are two large projects with a reasonable chance of coming to fruition that could fund those two positions: the jail and Landmark on the Sound. He suggested cutting those positions only if these two projects do not happen. He has met with employee groups to discuss options and concessions that could be made to help balance the budget. He will be meeting with all groups together next week to hopefully reach an agreement.

Councilmember White complimented City Manager Piasecki on his leadership and the finance staff on their hard work.

City Manager Piasecki is seeking ways to break the on-going deficit cycle and have the City become sustainable. Some of his suggestions include getting surrounding cities to pool efforts, i.e. court service, police coverage.

Council agreed that PBPW be approved to move forward with the public fund trust loans.

ADJOURNMENT

The meeting adjourned at 1:50 p.m.

Respectfully submitted,

Autumn Lingle  
Clerk