

REGULAR MEETING DES MOINES CITY COUNCIL

MINUTES

November 13, 2008

The regular meeting of Des Moines City Council was called to order at 7:30 p.m. by Acting Presiding Officer Thomasson in the Council Chambers, 21630 11th Avenue South, #B.

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

ROLL CALL - Present: Councilmembers Dave Kaplan, Ed Pina, Carmen Scott, Scott Thomasson [assigned as Acting Presiding Officer as senior Councilmember], Susan White and Mayor Bob Sheckler who participated in one item of business via telephone and left the meeting at 7:45 p.m. Absent: Mayor Pro Tem Dan Sherman. Also in attendance were City Manager Tony Piasecki, City Attorney Pat Bosmans, Finance Director Paula Henderson, Assistant City Attorney Susan Mahoney, Planning, Building and Public Works Director Grant Fredricks and City Clerk Denis Staab.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Pina and passed unanimously, to excuse Mayor Pro Tem Sherman.

AGENDA REVISION

Acting Presiding Officer Thomasson announced that Mayor Sheckler will be participating via telephone, while on vacation in Florida, on Draft Ordinance No. 08-253, so with no objections from Council he will take that Old Business item first. There were no objections

OLD BUSINESS

Draft Ordinance No. 08-253 [ASSIGNED NO. 1441] Surface Water Management Utility Tax - 1st Reading

City Manager Piasecki noted the ordinance in front of Council is the substitute ordinance distributed to Council at the November 6th meeting.

MOTION was made by Councilmember Scott, seconded by Councilmember Pina, to suspend Rule 26(b) in order to enact Draft Ordinance No. 08-253 on first reading.

Acting Presiding Officer Thomasson questioned the wording of Section 3, 2nd line on whether it is proper term to say "6% per year" when it is really 6% of revenue. He also questioned what is the 6% of - gross revenues or rates, and whether our storm water fees need to be set so the tax is inside the rate as opposed to on top of the rate.

City Manager Piasecki noted the tax would be assessed on all the money that is collected.

Assistant City Attorney Mahoney explained the utility tax is treated differently than a B & O tax and is specifically exempt from the State statute on B & O. The intent of this ordinance is only asking to tax the utility rate charge, not the gross revenue.

In regards to the language in Section 3, 2nd line 2, City Manager Piasecki stated the words "per year" can be eliminated.

VOTE ON MOTION: Motion passed 5 to 1 with Councilmember Kaplan opposed.

MOTION was made by Councilmember Scott, seconded by Councilmember Pina, to enact Draft Ordinance No. 08-253, creating a six (6) % tax on the City of Des Moines Surface Water Management Utility's assessed surface water utility rates, and to remove the words "per year" in Section 3, line 2.

Councilmember Scott advised the Council has had 7 long meetings this month to get rid of a \$2,700,000 budget shortfall for 2009. She noted Council has done its best to keep from cutting essential services and every department is taking cuts, but we are still short by \$350,000 and this will cost each household about \$8.28 a year and will help bring in around \$114,000 to \$126,000 towards helping to balance the budget.

Councilmember Kaplan stated he has no problem taxing a private utility, but when it is a utility the City is providing he has problems and therefore will not support the motion to approve.

Acting Presiding Officer Thomasson stated earlier he was somewhat in support of this issue, however last week when Council started putting expenses back in the budget, he can no longer support this issue. He feels to many items are still one time strategies and Council has not fixed the underlying problem in the budget. He does not feel Council has not done enough to control expenses at this time.

Councilmember Pina felt Council has already cut some services he would rather not cut. He feels this tax will help get the City closer to closing the budget gap and he will support it.

Councilmember White expressed the opinion that this has probably been the most difficult budget she has seen in her years on the Council. She thanked staff for thinking of innovative ways to trim the budget, and hopes to work with other cities in combining efforts to save money. In the meantime money is needed to keep City projects moving forward, and while she does not like new taxes, she will support the issue.

Acting Presiding Officer Thomasson read the draft ordinance by title into the record.

VOTE ON MOTION: Motion passed 4 to 2 with Councilmembers Kaplan and Thomasson opposed.

7:45 p.m. Mayor Sheckler disconnected his telephone call and left the meeting.

BOARD & COMMITTEE REPORTS & COUNCILMEMBER COMMENTS

2009 City Calendars

Councilmember Scott noted that the calendars are available for sale at Des Moines Drugs, Marine View Florist, Field House and Senior Center.

Midway Planning Stockholder's Meeting

Acting Presiding Officer Thomasson reported attending the last Stockholder's meeting. He noted a briefing to the whole Council will be provided in the future.

Arts Commission

Councilmember White noted she attended a meeting yesterday. She reminded everyone an Evening With The Artists is set for November 22nd from Noon to 9 p.m. at the Activity Center.

Legacy Foundation Brunch

Councilmember White advised that the recent Brunch held at Anthony's Restaurant was wonderful and \$25,000 was raised for the Legacy Foundation.

Legacy Foundation Brunch

Councilmember Scott commented that the generosity of the people of our community is wonderful. She cited several examples of generosity and noted the Brunch event was for a very good cause, as everything the Legacy Foundation does is given back to the community.

CONSENT CALENDAR was read by City Clerk Staab.

1. Motion is to approve the regular minutes of October 16 and 23, 2008.
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 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 #116653 through #116880 & electronic fund transfers in the total amount of \$1,693,029.55

Payroll fund transfers in the total amount of \$638,126.47

3. Motion is to approve the interlocal agreement with King County for provision of fire investigation services in 2009 by the Sheriff's Office and to authorize the City Manager to sign the agreement substantially in the form as submitted.

MOTION was made by Councilmember White, seconded by Councilmember Kaplan and passed unanimously, to approve the Consent Calendar as read.

Agenda Revision

Acting Presiding Officer Thomasson advised he will take the next item under old business next.

OLD BUSINESS

Draft Ordinance No. 08-243 Transportation Improvements & Draft Ordinance No. 08-244 Marina Improvements - Bond Sales - 1st Reading

Finance Director Henderson informed Council that the first ready of the two bond ordinances will allow staff to proceed with marketing of the bonds, so if Council does not desire to continue with the bond issue staff needs to know tonight. She introduced Lindsay Sovde of Seattle Norwest Securities who briefly reviewed the "Bond Buyer Index History" and the daily percentage changes since 2007. She cautioned Council that if they say yes tonight to the sale, but next week say no, it will hurt the City's reputation and credit rating for a long time.

Upon questioning, Ms. Sovde informed Council they will call the Finance Director before finalizing a deal so if the percentage rate looks bad for the City, it can be delayed. However, if delayed, Council will have to agree to meet in a special session to finalize the deal if it is after the November 20th meeting.

Council's consensus was 5.01 would be the highest they would accept and refunding would come out of the final ordinance should it not be cost effective.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Scott, to move Draft Ordinance No. 08-244 providing for the sale and issuance of \$6,205,000 Limited Tax General Obligation Bonds to provide funds for Marina capital improvements to the November 20, 2008 Council agenda for a second reading. Motion passed 5 to 0.

Acting Presiding Officer Thomasson read the draft ordinance by title into the record.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Scott, to move Draft Ordinance No. 08-243 providing for the sale and issuance of \$3,515,000 Limited Tax General Obligation and Refunding Bonds to provide funds to refund the City's outstanding Limited Tax General Obligation Bonds, 1997, and to fund transportation capital improvements to a second reading on the November 20, 2008 Council agenda. Motion passed 4 to 1 with Acting Presiding Officer Thomasson opposed.

Acting Presiding Officer Thomasson read the draft ordinance by title into the record.

PUBLIC HEARING

Draft Ordinance No. 08-254A [ASSIGNED NO. 1442] & 08-254B [ASSIGNED NO. 1443] 2009 Property Taxes - 1st Reading

Acting Presiding Officer Thomasson introduced the subject and declared the hearing open.

Finance Director Henderson reminded Council that we currently have no special levies. She noted that Draft Ordinance 08-254A determines the amount of funds to be raised by ad valorem taxes for the year 2009 for general City expenditures, including levy lid lift ad valorem taxes to provide funds to restore the Police department's staffing.

Acting Presiding Officer Thomasson called for speakers three times and there was no response. He inquired whether Council had any questions and since there were none, he declared the hearing closed.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Scott and passed unanimously, to suspend Council Rule 26(b) in order to enact Draft Ordinance No. 08-254A and No. 08-254B on first reading.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Pina and passed unanimously, to enact Draft Ordinance No. 08-254A determining the amount of funds to be raised by ad valorem taxes for the year 2009 for general City expenditures, including levy lid lift ad valorem taxes to provide funds to restore police department staffing to previous years' levels per Ordinance No. 1375.

Acting Presiding Officer Thomasson read the ordinance by title into the record.

MOTION was made by Councilmember Kaplan, seconded by Councilmember Pina and passed unanimously, to enact Draft Ordinance No. 08-254B authorizing the increase in ad valorem taxes for the year 2009 for general City expenditures.

Acting Presiding Officer Thomasson read the ordinance by title into the record.

PUBLIC HEARING

Draft Ordinance No. 08-255 Adopting 2009 Budget - 1st Reading

Acting Presiding Officer Thomasson introduced the subject and declared the hearing open. He then called for any speakers who wished to address Council three times. As there was no response, he declared the hearing CLOSED.

MOTION was made by Councilmember Kaplan, seconded by Councilmember White to continue the subject, and consideration of the draft ordinance adopting the 2009 budget, to the December 4, 2008 City Council meeting. Motion passed unanimously.

Finance Director Henderson called Council's attention to the updated General and Street Funds Recap dated November 13th. With use of a power point presentation reviewed the Facility Repair and Replacement Fund on pages 2 and 3, and the Equipment Rental Operations Fund on pages 4 and 5.

Upon questioning, City Manager Piasecki advised that discussions with employees regarding other cost saving strategies are continuing, and he expects to have answers by December 4th.

Upon questioning regarding street lighting reductions for cost savings, Planning, Building and Public Works Director Fredricks advised he hopes to have a proposed developed plan for Council's consideration at the meeting of December 4th.

NEXT MEETING DATE

Acting Presiding Officer Thomasson announced the next regular meeting will be November 20, 2008.

ADJOURNMENT

At 8:55 p.m. **MOTION** was made by Councilmember White, seconded by Councilmember Scott, to adjourn. Motion passed 3 to 2 with Councilmembers Kaplan and Pina opposed.

Respectfully submitted,

Denis Staab
City Clerk