

CALL TO ORDER

Mayor Paul Helenberg called the March 14, 2016, regular meeting of the Castle Rock City Council to order at 7:30pm., followed by the Pledge of Allegiance. The following councilmembers were present: Art Lee, Lee Keesler, Ellen Rose, and Earl Queen.

Councilmember Mike Davis was absent due to employment conflicts. Councilmember Queen made a motion, seconded by Kessler to excuse Councilmember Davis until his job commitment is completed. By roll call vote; unanimous "Aye".

DEPARTMENT REPORTS

1. Police Chief Bob Heuer and Sgt. Scott Neves attended leadership training last month in Vancouver, WA.
2. Dave Vorse, Public Works Director, announced he received notice from the Recreation and Conservation Office (RCO) in regards to their review of the amended Castle Rock Park Plan. RCO found the plan meets all requirements and the City is eligible to apply for grants offered by RCO.
3. Dominic Miller, City Engineer, reports the boundary line adjustment on the Westside Hwy is almost completed.

Miller also reported on the status of the trenchless sewer repair project with C-More Pipe. He has met with C-More Pipe and they are scheduled to have project completed within the next two weeks.

COUNCIL AND COMMITTEE REPORTS

1. Mayor Helenberg attended the Cowlitz Economic Development Council (CEDC) Annual Meeting. He noted the Port of Kalama as well as the CEO of the methanol plant would like to arrange a meeting with the City to explain this project.
2. The mayor advised that Association of Washington Cities (AWC) is requesting applications for AWC Board of Directors.
3. The mayor also reminded councilmembers that registration for the Cowlitz Wahkiakum Council of Governments Annual Meeting is due by March 16, 2016.
4. Nancy Chennault, Cowlitz Economic Development - Council Representative (CEDC), reports the next CEDC meeting is on March, 15, 2016, for the "40 for 20/20" program. This program provides vision as to what Cowlitz County is projected to look like in 2020. Once completed, Chennault stated this will be the basis to change the perception of Cowlitz County. This project includes a very diverse group of people who will be working to help the communities that extend from Toutle to Woodland and everything in between. Chennault also mentioned this vision will help small towns to project innovative and fresh ideas moving forward, not only in Castle Rock but in many small cities in the surrounding areas. On April 13th this committee will meet to establish a marketing brand. Chennault will then present to the councils at a later date after this has been completed.

Chennault also reports that the Castle Rock Community Development Alliance (CRCDA) Annual Meeting was well attended. Highlights included information on the fifteen new or expanding businesses within our city. It also showed how community efforts and improvements have reduced the commercial occupancy rate; which was 35% in 2010 and is now 6%.

Castle Rock America In Bloom teams are mixing soil for 128 baskets and 40 pots. These baskets and posts will be distributed around town. Trees also will be planted at the Water Feature as soon as the weather permits.

CONSENT AGENDA

1. Councilmember Earl Queen made a motion, seconded by Rose to approve minutes from the February 22, 2016 regular council meeting. By roll call vote; unanimous "Aye".
2. The February 2016 Expenditures report was reviewed by Councilmember Rose. Councilmember Queen made a motion, seconded by Rose to approve the February expenses in the amount of \$297,674.44 and further described as check numbers 46888 through 46966 for general expenditures and check numbers 24687 through 24707 for payroll expenses, adjustment number 435-2/16, EFT Payroll Draw 1/15/16 and EFT Payroll 1/31/16, NACHA Draw #1757060 and Month End NACHA Batch#1759687. By roll call vote, unanimous 'Aye'.

OLD BUSINESS

1. Councilmembers discussed the progress of the Exit 49 Pedestrian improvements project and options to fund the project. Public Works Director Dave Vorse, stated grants funds have already been expended for the project and there are financial obligations that need to be met.

Vorse reported he has contacted the funding agencies to ascertain if the city would be held liable for repayment of the expended grants funds. It was determined that the City would be required to pay back funds in the amount of \$33,500 for the federal TAP funding and the state could ask for \$35,000 in repayment for grant funding from DOT.

Vorse stated he has researched alternative ways to receive reduce construction costs by approximately \$10,000; funding, however, the city would still be around \$15,000 short of the funding goal. In addition, this would only leave approximately \$5,000 for any contingency costs. Vorse stated requests were made to obtain additional funding from the state; but the request was denied. He also contacted Cowlitz County to see if additional funding is available and they responded the only funding available was from ELF funds (county landfill).

Vorse noted the police department is seeking low-interest funding for a new police vehicle, and he suggested the Police Department could apply for the ELF funding since the interest rate would only be 1%. This would allow the city to use a portion of the General Fund balance for the Exit 49 project. He noted the City Council will need to decide if they wanted to use unfunded balances from the General Fund. He did note that the Board of Commissioner does support the City's request for an ELF loan to purchase a police vehicle.

Mayor Helenberg agreed that the 1% interest rate was favorable for funding purchase of the police vehicle. Councilmember Lee stated in his opinion, if the pedestrian improvement project had not been so underestimated by the engineer; the city could have had a better idea on budgeting and not been in this situation. He noted while the Exit 49 project is important; it is

also important for the police department to purchase a new vehicle in this fiscal year.

Councilmember Kessler asked Chief Heuer to present a Vehicle Replacement Plan to the Councilmembers at a future meeting. Councilmember Kessler also voiced his concerns about having the Police Department save and cut costs; only to have another department needing to be rescued. Kessler stated the city engineer cannot continue to provide cost estimates for the Exit 49 project that are 69% under what bidders are submitting to complete the work. This makes it hard for the city to justify costs to constituents. Kessler also suggested that the city owned Exhibit Hall property has an asset value and possible action needs to be taken on that.

Vorse stated that the project is 100% funded by two grants; which is a total of \$500,000 in grant funding for this project.

Councilmember Rose made a motion, seconded by Queen to apply for the ELF funding for a police vehicle. Councilmember Kessler clarified that the ELF funds would be repaid by the General Fund funding. By roll call vote; unanimous 'Aye'.

Councilmember Queen made a motion, seconded by Rose to award the construction bid to Advanced Excavating Specialists LLC for the base bid of \$454,722.50 and to use \$15,000 from unallocated General Fund balance for the project. Any funds not expended are to be returned to General Fund. By roll call vote; unanimous "Aye".

NEW BUSINESS

1. Resident, Keith Forsyth, reported his concerns over branches coming down over his property. He is concerned about two pine trees that are approximately 70 feet tall; which could damage his home. The trees appear to be in reasonably good health, Forsyth, has had concerns of limbs falling during heavy rain and wind storms.

Vorse noted Councilmembers have the following options:

1. Council can deny request to remove the trees
2. Council can approve removing the trees; at city expense
3. Council can agree to share the cost of the tree removal with Mr. Forsyth
4. Council can require home owner to take down trees at their own cost, using a licensed contractor.

Forsyth states that the limb that came down from tree is approximately 25 inches in diameter, and is worried about limbs of this magnitude causing damage to his home.

Dave Vorse provided an estimate from Champ's Tree Service at a cost of \$3200, plus tax. He noted if the city pays for removal of the trees; the contractor must abide with prevailing wage laws. The two trees are located in an unimproved right-of-way.

Mr. Forsyth stated he has received an estimate from Chippin Tree Service in the amount of \$2800 and he would be willing to bear the cost for the tree removal.

Councilmember Kessler made a motion, seconded by Queen to allow Mr. Forsyth to remove the two pine trees located on city right-of-way; at his own cost. By roll call vote; unanimous 'Aye'.

2. Councilmembers reviewed a request submitted by Gail Halvorson, North Street NE for approval of an adjustment to her utility account balance in the amount of \$304.15, due to a leak. Mayor Helenberg noted that all documentation required by CRMC 13.16.120 and 13.16.130 have been submitted.

Halvorson stated her husband usually reads the meter; but failed to do so that month. She stated they did not learn of the issue until receiving their utility bill. She complained that years ago the city use to notify customers of any issues when meters were read. Councilmembers stated the readings are now done electronically and billings are now outsourced. Public Works Director Vorse stated the city will be transferring to a new system that will allow high readings to be 'flagged'. He stated the city is now in transition and he expects the new system to be incorporated as soon as the remaining 300 meters are updated to radio read capability.

Councilmember Kessler made a motion, seconded by Queen to approve the adjustment requested by Gail Halvorson in the amount of \$304.15 due to a leak. By roll call vote, unanimous 'Aye'.

3. Councilmembers reviewed the proposed agreement for contracted legal services with Walstead and Mertsching. Frank Randolph stated he has been the city attorney for the past six years. The current contract will expire at the end of this month and his firm would like to continue providing legal services to the city. Randolph stated rates have been amended to reflect a cost of living increase for himself and an experience and cost of living increase for Nicole Tideman as assistance city attorney. Councilmember Queen made a motion, seconded by Lee to accept the amended contract. Discussion: In answer to Councilmember Kessler's question, Covington stated the amount budgeted for legal services in 2016, was based on information provided from Randolph. Randolph stated the city also retains some leeway to control costs because the rate is hourly. By roll call vote, unanimous 'Aye'.
4. Dominic Miller, Gray & Osborne requested council approval of the engineering service agreement for the SR-504 Pedestrian Improvement project, for an amount not to exceed \$58,373. Miller stated the agreement is for project management, preconstruction services and contract administration including review of submittals, DBE tracking, preparation of change orders, preparation of punchlist items, project surveying, materials testing and project inspection services. Miller stated this proposal includes cost reductions; mostly affecting on-site inspector hours (180 hours for an inspector and 8 hours for the preconstruction meeting). Miller stated the assigned inspector will be Ron Derrick. Mr. Derrick also will be overseeing the Water Treatment Plant filter project.

Councilmember Rose made a motion, seconded by Queen to accept the engineering service agreement with Gray & Osborne for the SR-504 Pedestrian Improvement project, for an amount not to exceed \$58,373. By roll call vote; unanimous 'Aye'.

5. Councilmembers reviewed the amendment proposed by Gray and Osborne for engineering services for the Water Treatment Plant filter repair and telemetry upgrade project in the amount of \$21,906, and removal of the telemetry work; reducing the original agreement by \$4,456. Councilmember Kessler made a motion, seconded by Rose to approve the engineering service agreement with Gray & Osborne for the Water Treatment Plant Filter Repair project. By

roll call vote, unanimous 'Aye'.

6. Consideration of proposed Ordinance No. 2016-01, an ordinance adopting a moratorium against retail sale, growing, production and processing of marijuana intended for medical and/or recreational use in all zoning districts of the City of Castle Rock; establishing one year as the effective period; setting a public hearing for public testimony regarding the moratorium; referring the matter to the Planning Commission for hearing and review; adopting a work plan and declaring an emergency in support of immediate effect. City Planner Deborah Johnson distributed information from Association of Washington Cities online library with a link to their report on Washington's legalization experience. Johnson also distributed a document entitled; "Lots of Moving Parts: The State of Marijuana Regulation in Washington.

Johnson stated the city adopted provisions relating to marijuana legalization in 2011 and 2013. The model ordinance developed by an attorney for the city's risk management pool was written prior to the State finalizing regulations for State licensing. Significant statutory changes were adopted by the State in 2015 which attempted to reconcile regulations between retail and medical marijuana businesses. Johnson explained Washington State Liquor and Cannabis Board are tasked with development of rules and procedures and licensing of marijuana business operations. She noted several cities have imposed bans or moratoriums on marijuana business operations. As a result, Johnson stated she has recently been fielding several inquiries from developers interested in locating within the city limits.

Johnson stated the city's contract with CWCOCG allocates approximately 20% of her time; and there are several planning issues that she is already working on for the city. The imposition of a one-year moratorium will allow time to develop and implement a work plan to develop an update to the city code to coincide with current State regulations. A public hearing will need to be held within sixty days from adoption of this ordinance. City Attorney Randolph recommended that councilmembers adopt the ordinance, effective tonight to authorize a one-year moratorium. State and federal regulations continue to change with the industry and this will allow time to take all of that into consideration. At the public hearing, staff will present findings and the public will have the opportunity to provide comments. If after the public hearing, council does not feel the moratorium is in the best interest of the city; then the findings are not adopted and the moratorium will end at that time. If city council rules that the findings are warranted, then the city will have one-year to finish the work that is required to be done.

Councilmember Queen made a motion, seconded by Kessler to adopt Ordinance No. 2016-01, as written; effective immediately. Discussion: Dallas Carroll, public attendee, requested clarification of the council's motion. Mayor Helenberg stated this action would impose a moratorium against retail sale, growing, production and processing of marijuana intended for medical and/or recreational use in all zoning districts of the City of Castle Rock. Within sixty days there will be a public hearing to see if the continuation of the one-year moratorium is warranted and to come up with regulations to update city code. Randolph stated the purpose of the public hearing is to ascertain if the moratorium is warranted. If city council deems the findings are warranted, then the moratorium would continue. Randolph also explained the work plan that was proposed. In answer to Councilmember Kessler's question, Randolph stated this moratorium would provide a one-year 'time out' to allow for establishment of amended zoning codes. At the time the city amended their zoning code; it was not anticipated that retail sales and medical marijuana operations would become interchangeable. Because of the State

merging medical marijuana regulations; there are areas within city code that need to be amended. This will allow the planning commission, staff and city council a one-year period to evaluate those areas within city code that need to be updated to reflect those changes. Councilmember Kessler also stated he would like to obtain a concrete recommendation from the city's insurance provider. Randolph stated that AWC has been a tremendous resource for the city and staff will continue to seek their input. Vote on the above motion to adopt Ordinance No. 2016-01; by roll call vote; unanimous 'Aye'.

EXECUTIVE SESSION

Mayor Helenberg closed regular session at 8:58 p.m. for a thirty minute executive session to discuss personnel, land acquisition and litigation. Council action may follow when regular session resumes.

Mayor Helenberg reopened the regular council meeting at 9:25 p.m.

Mayor Helenberg announced that Mt. St Helens Motorcycle Club awarded the city with a plaque in appreciation of the city's support.

Councilmember Rose made a motion, seconded by Kessler to authorize the Clerk-Treasurer to hire temporary staffing through a temp service to cover the current staffing shortage within the Finance office. By roll call vote, unanimous 'Aye'.

ADJOURNMENT

There being no further business, Mayor Helenberg adjourned the meeting at 9:30 pm.

Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington