

CALL TO ORDER

Mayor Paul Helenberg called the November 27, 2017, regular meeting of the Castle Rock City Council to order at 7:33 pm., followed by the Pledge of Allegiance. The following councilmembers were present: Art Lee, Lee Kessler, Earl Queen, Paul Simonsen and Ellen Rose.

Also present: Public Works Director Dave Vorse, Acting Chief Scott Neves, Clerk-Treasurer Ryana Covington, Librarian Vicki Selander, City Engineer Tom Gower, City Attorney Frank Randolph and Student Representative Maddie Neves.

BUSINESS FROM THE FLOOR - None

DEPARTMENT REPORTSCouncil And Ad Hoc Committees –

Mayor Paul Helenberg -

- met with Department Supervisors regarding items proposed for the 2018 fiscal year budget.
- attended the Small Shops Saturday event in Castle Rock. The event was well attended.

Nancy Chennault, Castle Rock Community Development Alliance (CRCDA) -

- stated she was the city's representative at the 2017 Smart Growth Conference in California, which was funded by a scholarship through Cowlitz-Wahkiakum Council of Governments. Early registration is now open for the February 1<sup>st</sup> – 3<sup>rd</sup>, 2018 Smart Growth Conference which will again be in California. Chennault stated there are no scholarship opportunities this year, and the cost for attending would be approximately \$1,145. A representative from America In Bloom (AIB) also will be attending this conference and AIB stated that whoever represents Castle Rock at this conference would also be an official AIB Ambassador. The 2018 conference will focus on affordable housing and diversified housing. She encouraged council consider funding a representative to this conference as part of the city's priority on economic growth. Early registration must be paid by November 29<sup>th</sup> to qualify for discounted registration.

Maddie Neves – Student Representative to City Council-

- reported that parent conferences have been completed.
- students will be painting windows around town to get ready for the Christmas holiday season. In addition FFA will be selling greenery wreaths this next weekend as a fund raiser and students will be creating hanging baskets to be displayed in town.
- ASBAB – testing for the military will begin next week.
- Winter Ball will be held December 15<sup>th</sup>.
- updated on several sports events: football team qualified for one post season game, there was one cross country runner that qualified for State Meet, Volleyball team placed sixth at the State tournament, wrestling and basketball season is just beginning.
- Honor Society held a successful blood drive in November.
- Drama Club hosted an improv open microphone session in October and hopes to have another one before Christmas break.

Mayor Helenberg stated he would like to schedule a budget workshop meeting with councilmembers prior to the December 11<sup>th</sup> regular meeting. The December 11<sup>th</sup> regular council meeting will include the first of two public hearings to take testimony on the proposed 2018 fiscal year budget. Councilmember Kessler stated he would prefer to review the proposed budget during the regular council meeting, unless

the budget includes anything that may need additional review prior to the Public Hearing. Helenberg stated the proposed 2018 budget is 'bare bones' and General Fund allocations are based on no substantial allocation increases from 2017. He noted there are increases in wages and benefits due to COLA increases from the collective bargaining contracts and increases in Washington State Labor and Industries rates. Other increases include reassessment of valuations for liability insurance coverage and revenues have not seen any significant increases. Helenberg stated he is projecting utility costs to increase by 4% for water and sewer serves. When the Water System Plan was adopted four years ago, engineers recommended the city incorporate an annual rate increase of at least 6% to provide for capital improvements. Helenberg stated the city has not done this and rate increases were kept to a minimal amount. There are no increases to the stormwater utility in 2018, however this will be re-evaluated in 2018 for the 2019 budget. The mayor noted the proposed budget also includes a 5% increase in utility tax for water, sewer and stormwater services. He noted the 2018 rates are expected to increase the monthly utility bill \$11 to \$12. In answer to Councilmember Kessler's question, Covington stated the utility tax goes directly to General Fund. The mayor stated when he first met with staff on the budget, proposed costs for General Fund requests was around \$300,000 over projected revenues. Mayor Helenberg stated in previous years, a portion of the General Fund residual balance was being used to meet budget demands for the next fiscal year. Covington stated amendments to the 2018 budget was developed to budget within estimated revenues and not use any more of the General Fund balance. Covington stated the mayor and Councilmembers Kessler and Lee participated in meetings with the city's current medical insurance provider, AWC Employee Benefit Trust. This provider notified the city that they will no longer offer a 'no deductible' medical plan and would be offering a \$250 deductible plan instead. The city met with union representatives, city employees and AWC Employee Benefit Trust representatives to outline impacts of this change. Non-participation in the AWC Employee Benefit Trust would affect supplemental medical coverage for the city's two LEOFF I retirees and the city would need to seek Medicare supplemental insurance through another provider. Per State law, the city is required to provide full payment of all medical bills for retirees under the Washington State LEOFF I retirement system. Because of those meetings, it appears the city's three bargaining units would prefer to change medical insurance providers from AWC Employee Benefit Trust to Oregon Teamsters Employer Trust (OTET). This would provide a cost savings to the city for qualified full-time employees, providing that reasonably priced Medicare Supplemental Insurance can be found for the LEOFF I retirees. Covington provided a summary of the cost savings per department, based on their share of employee costs. The only fund to see an increase in costs would be the Library Fund.

Covington stated staff is requesting council approval to complete steps to change the medical insurance provider to OTET and to enter into a contract with Corey Balkan to manage the third-party health insurance coverage for the city's two LEOFF I retirees, including tax reporting requirements. The federal open enrollment for Medicare supplemental insurance ends December 7<sup>th</sup>, so the city would need to have completed and submitted the applications by that date. The management contract for that service is \$10,000 annually. Covington provided a sample of Balkan's management agreement for council review. This agreement also must be settled prior to December 7<sup>th</sup> to allow Mr. Balkan to assist with the supplemental insurance providers. Covington asked council if they would consider approving Mayor Helenberg to enter into contract dialog with Mr. Balkan and to sign the agreement for that service.

Councilmember Kessler made a motion, seconded by Queen to authorize Mayor Helenberg to negotiate and sign a Consulting Agreement with Corey Balkan from Gallagher Benefit Services, Inc. for provide employee benefits management for the LEOFF I retiree Medicare supplemental medical insurance coverage in the amount of \$10,000 per year.

Discussion on motion: Councilmember Simonsen asked how much each current eligible full-time employee contributed toward their medical insurance coverage. Mayor Helenberg stated this was a negotiated item in the collective bargaining agreements. Covington stated depending on the CBA, the employee pays between \$25/month to \$50/month. Covington explained that the OTET policy is not based on a tiered coverage level, with the cost being the same for a single covered employee as it is for a family with several members covered. The AWC Employee Benefit Trust policy bases their rates on a tiered coverage level. Covington explained that the current policy with AWC is not being offered in 2018, but is being replaced with a deductible plan requiring employees with families to pay a maximum of \$6,000/year. The new plan will significantly increase the employee's out-of-pocket medical costs. Councilmember Kessler noted the OTET plan also saves the city approximately \$100,000 per year in premium costs. Covington noted that the city was originally on the OTET coverage several years ago, however the LEOFF I retirees were not Medicare eligible and the supplemental insurance policies for the two retirees cost the city approximately \$80,000/year. In answer to Councilmember Simonsen's question, the city has always provided medical, dental, vision, life insurance and short term disability coverage. Simonsen and Kessler both stated they are required to pay deductibles with employer-provided medical insurance coverage. Kessler stated the deductible costs have changed dramatically since federal enactment of the Affordable Care Act. Councilmember Kessler noted that historically entities have negotiated medical coverage as part of the CBA package, providing payment of medical coverage costs instead of salary increases.

Vote on the above motion: Unanimous 'Aye'.

Councilmembers requested a Special Council Budget Workshop meeting be scheduled for December 11<sup>th</sup> at 6:30 p.m. to review the budget. Meeting will be held at the Castle Rock Senior Center. Councilmember Kessler asked that copies of the budget and summary be provided several days before the meeting to allow time for review. Mayor Helenberg stated this year's budget was difficult to balance and next year will also be difficult. Councilmember Kessler asked why revenues are not increasing, yet new businesses have opened in the city. Covington stated while there has been an increase in businesses opening in the city, many of those are service based businesses and not retail in nature. She noted the main revenue sources for the General Fund are property taxes, sales/use tax and utility taxes. The city also received shared revenues from the State such as liquor board taxes, city assistance share and liquor profits. In answer to Kessler's question, increase of property taxes are limited by State law.

Mayor Helenberg announced that local State legislators from the 19<sup>th</sup> and 20<sup>th</sup> districts will be holding a meeting this Thursday night to discuss legislative issues. One point of discussion will be reasons that the State of Washington is not working to bring new businesses into the state. Other point of discussion is the McLeary decision impacts. Helenberg stated questions for the legislators need to be submitted prior to the meeting.

Councilmember Simonsen stated he would like to see monthly budget reports from each department supervisor outlining upcoming projects and estimated remaining costs. Covington stated the monthly expenditure reports sent to elected officials provide information on year-to-date costs and appropriated balances. Simonsen said since revenues are limited, he would like to get a better analysis from the department supervisors as to cost projections, so that councilmembers can re-evaluate allocations earlier to avoid any possible budget overages. Kessler added that part of the management is that the councilmembers allocate the funds, however the personnel is managed by the mayor. Mayor Helenberg stated department supervisors are good at keeping the department liaisons and the mayor

apprised of any issues with their budget.

#### CONSENT AGENDA

1. Councilmember Queen made a motion, seconded by Rose to approve the minutes to the November 13, 2017 regular council meeting. By roll call vote; unanimous 'Aye'.

#### OLD BUSINESS -

1. Public Works Director Dave Vorse stated that are a couple of minor amendments he would like to include in Ordinance No. 2017-03, an ordinance establishing a new chapter of the Municipal Code regarding Complete Streets. In the first paragraph of the ordinance, change the order of the wording to: ...'including but not limited to pedestrians of all ages and abilities, bicyclists, transit riders and vehicles, school bus drivers, freight vehicles, emergency service providers, and' On page 2 under Section 2, insert the same order of wording as noted above. On page 3, under the definition of 'User' or 'Users" change a portion of the first sentence to include '..... older adults and individuals with diverse personal mobility needs."...

Vorse stated changing the order will help to increase the city's ranking on grant applications and staff recommends incorporating those changes. Vorse provided an amended copy of Ordinance No. 2017-03 with changes incorporated.

Councilmember Kessler made a motion, seconded by Rose to adopt Ordinance No. 2017-03, as modified, on second reading. By roll call vote, unanimous 'Aye'.

Public Works Director Dave Vorse asked that members of the Complete Streets Committee be recognized for being the first city in Cowlitz County to adopt a Complete Streets Program.

2. Councilmember Kessler made a motion, seconded by Queen to approve Ordinance No. 2017-04, an ordinance amending Castle Rock Municipal Code, Section 6.06.120 'Dog and Cat Registration Fees', on first reading. Mayor Helenberg stated this issue was tabled from the previous meeting. This ordinance was amended to include a provision that licensing of cats was optional and not mandated. By roll call vote, unanimous 'Aye'.
3. Councilmember Queen made a motion, seconded by Kessler to approve Ordinance No. 2017-05, an ordinance fixing the amount to be raised by Ad Valorem taxes for the 2018 fiscal year budget of the City of Castle Rock, on second reading. By roll call vote, unanimous 'Aye'. Motion carried.
4. Public Works Director Dave Vorse stated staff has researched the Washington State bid requirements for purchase of equipment at that value. The city attorney has also reviewed the NJPA Cooperative Purchasing Agreement and has been in contact with the State Auditor regarding the use of this purchasing option. Once the mayor has signed the Cooperative Purchasing Agreement, a copy of the agreement will be filed with the County Auditor and the city will be able to purchase the Skid-steer, as outlined in the last council meeting. City Attorney Frank Randolph spoke with the purchasing representative from the City of Longview and a State Auditor regarding what is required of the city. The city will need to retain files showing the process that NJPA used did meet the city's bid requirements, per Washington State law. Purchase the skid-steer was approved at the previous council meeting, pending review by the city attorney.

#### NEW BUSINESS

1. Councilmember Kessler made a motion, seconded by Lee to approve Ordinance No. 2017-06, an ordinance amending Ordinance No. 2015-10 amending the compensation for mayor and city councilmembers, on first reading. By roll call vote, unanimous 'Aye'.
2. Councilmember Queen made a motion, seconded by Rose to approve Ordinance No. 2017-07, an ordinance renaming the Exhibit Hall Fund to the Visitor Center Fund, on first reading. By roll call vote, unanimous 'Aye'.
3. Susan Buck, Castle Rock PTO has notified staff that she has withdrawn her request for council approval to sell fireworks for the 2017/2018 New Years period and therefore will not be attending this meeting.
4. Tom Gower requested council approval of the Gibbs and Olson engineering service proposal to assist the city with their application to US Army Corps of Engineers for a 10-year maintenance permit for the Al Helenberg Memorial Boat Launch facility. Gower stated the city submitted an application to the Corps and received a response that the application needed additional information. The engineering service proposal will provide assistance in preparing additional documents, modifying the original boat launch drawings, past permit documents and the maintenance program document. The Corps also indicated the city needs to contact US Army Corps of Engineers Seattle office to ascertain if sediment testing will be required. Gower stated he does not anticipate this testing will be needed. Corps is also requiring additional biological evaluation. Gower stated their consultants will contact the applicable agencies to determine if the original evaluation can be updated and resubmitted. If either of those two issues are required, Gower will provide council with any additional cost estimates and request authorization for those costs. Engineering service agreement as presented is at a cost not to exceed \$4,800. Councilmember Queen made a motion, seconded by Kessler to approve Gibbs and Olson Engineering Service Agreement in the amount not to exceed \$4,800. In answer to Councilmember Kessler's question, Mayor Helenberg stated there were adequate funds in the Boat Launch to support this cost. By roll call vote, unanimous 'Aye'.
5. Councilmember Queen made a motion, seconded by Rose to approve payment of \$500 to Castle Rock Blooms for participation in the 2018 America In Bloom program.  
Discussion: Nancy Chennault stated if enrollment is paid this year there is a \$100 savings. In answer to Covington's question, this invoice already reflects the savings. The total for early enrollment is \$1,000 and Castle Rock Chamber of Commerce will pay 50% of the cost. Covington clarified to council that this invoice will be paid from the current fiscal year budget. By roll call vote on the above motion, unanimous 'Aye'.
6. Vorse reminded councilmembers that tomorrow Cowlitz County Commissioners will convene a Public Hearing to take testimony on amending the Urban Growth Boundary Agreement and map to reflect the current service area. This hearing was continued from a previous commission meeting held three weeks ago. Vorse stated some of the commissioners are not fully in favor of amending this agreement and he invited those who wish to provide testimony to attend tomorrow's hearing.

#### ADJOURNMENT

There being no further business, Mayor Helenberg adjourned the meeting at 8:26 p.m.

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Paul Helenberg, Mayor

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Ryana Covington, Clerk-Treasurer