

006 Mayor Larsen opened the budget workshop at 7:00 p.m., with the following councilmembers attending: Greg Marcil, Ed Smith, Khembar Yund, Jeff Skeie, Public Works Director Dave Vorse and Clerk-Treasurer Ryana Covington.

0106 Stormwater Management Fund

Capital projects:

\$30,000 North Street stormwater project – Phase 3. Completion of the project will use city labor. Vorse stated Phase 2 was slated to be completed this year, and estimates for materials was due today. If Phase 2 cannot be completed this year, he anticipates purchase of the materials, with completion slated in 2006. The final phase of this project will be completed in 2007.

\$5,000 Pipe laying laser. Vorse stated this piece of equipment is used to set grade in ditches. Vorse added that he did not know what the cost would be to rent. Use of this equipment saves labor and materials cost during projects. In answer to council's question, Vorse stated that Castle Rock is one of very few cities that replace their own mains. The cities of Longview, Kelso and Kalama all contract for these projects.

Councilmembers voiced concern over the reduction in the fund balance. Vorse stated he allocates a significant amount each year for maintenance costs, should the need arise. He would not purchase the pipe laying laser unless adequate funds exist.

0940 Water Bond Reserve Fund

Covington stated no changes will be made to this fund.

Sewer Bond Reserve Fund

Required by Rural Development. This will entail an annual transfer from the Regional Sewer Fund.

Sewer Loan Reserve Fund

An amendment will be required this year to transfer \$25,000 from the Regional Sewer Fund to comply with the Department of Ecology loan requirements that funded the Sewer Comprehensive Plan. Similar transfer amounts will be required for the next five years, based on the average loan debt.

Equipment Replacement Reserve Fund – this is a new fund also required by Department of Ecology. It is also based on the average loan debt that funded the sewer Comprehensive Plan, with the transfer amount calculated at one-half of the average loan debt. This transfer will be from the Regional Sewer Fund, over the next five years.

1245 DOT Spoil Site Fund

Capital Projects:

\$5000 purchase of skate park equipment

\$5000 extension of the Riverfront Trail

\$3000 trail landscaping

\$270,000 extension of the paved portion of the Riverfront Trail north to Huntington Avenue and extension of the gravel trail at Whittle Creek to Westside Highway.

\$3000 oil and rock the Dike Drive access road.

\$35,000 Boat launch permitting and completion of engineering.

\$25,000 completion of the Sports Complex

\$15,000 for appraisal of the high banks DNR property. Vorse stated he does not know if this is the appropriate fund for this project, however it directly affects the city's ability to continue negotiation with Department of Natural Resources (DNR) to trade land. The city is pursuing trading land that they own in the river for the upland area that is owned by DNR. The upland area is currently leased to the city. If the city is able to obtain ownership of the upland area, they can move toward marketing the land for development as an RV Park site. Vorse stated the action by DNR is taken on a board level and they must be able to assure citizens that there is comparable value. This can only be accomplished through an appraisal and DNR supplies a list of approved appraisers.

Covington noted if the council is able to market the property, the funds will be allocated to supporting the DOT land areas, including development of parks on the east side of the river. Additional Council action could be taken to assure that future governing bodies continue to allocate future revenue sources for this use.

Councilmember Smith noted that funding for boat launch permitting and completion of the sports complex are continued projects from 2005. In addition, the trail extension is contingent on receiving grant awards.

In 2005, councilmembers offered to match donations, up to \$5000 for the purchase of additional skate park equipment. Vorse stated that private groups have raised approximately \$750 so far. Councilmembers agreed to continue their offer to match donations, through fiscal year 2006. Councilmember Yund noted that he has been touring skate parks and they are will utilized.

Vorse stated the Park Board has recommended the city create a gravel loop behind on the east side of the river, located behind the existing dredge berm. Vorse noted that the loop will be located well away from the proposed biosolid site. Councilmembers discussed various ways to protect this loop from use by motorized vehicles.

Vorse stated approximately \$350 has been donated for trail landscaping. He would like to further develop a strategy for landscaping using drought resistant, native plantings. Plantings will be completed in sections. Covington reminded

him that the month of April is DNR's grant cycle for rural tree communities. Councilmember Yund reminded Vorse not to create plantings that would inhibit the ability for police and public works to monitor park use activities.

The proposed allocation to rock and oil Dike Road is a maintenance issue. It is funded by revenues received from those who purchased dredge spoil materials.

Vorse discussed the problem with the concrete pad at the RV dump located at Lions Pride Park. When the dump was constructed, the concrete pad was incorrectly installed and Vorse anticipates it will cost \$1000 to correct this issue.

Vorse explained that the water use at Lion's Pride Park is metered. One meter is for the restroom, RV dump and irrigation system the other meter is for the two original faucets.

Councilmember Skeie left the meeting to attend the Fire Department's mandatory training.

Councilmember Smith and Marcil noted that correction of the RV dump pad should be the highest priority. Councilmembers Smith stated he would like to see landscaping of the trail before expending funds to extend the trail around the berm. Councilmembers Yund and Marcil noted that maintenance of Dike Drive should also be of high priority.

Side - B

2464 Councilmember Marcil will inquire if he can get someone to donate equipment and gravel to complete the trail extension request around the berm.

2618 Councilmembers agreed that marketing the west side of the Cowlitz River for an RV Park site is the best idea for economic development. Councilmembers discussed the probability for success and accessibility to recreation and the business community. Vorse also noted that if the city is able to obtain the property from DNR, the city should move to annex in the property to increase potential tax revenues.

3398 Water/Sewer Fund

Covington stated she has completed the fund balance estimation for the Regional Water Fund and the estimated cost for purchase of water that is expended from the Water Fund.

The distribution of costs between the county and city for support of the Regional Water Fund is based on the percentage of actual metered use. From October 2004- September 2005, the percentage is 54% city contribution and 46% county contribution. The Regional Water Fund 2006 appropriation request is \$682,133, which would equate to a city contribution of \$199,872, a \$39,000 increase over

2005 expenses. A Regional Utility Board meeting is scheduled for October 10<sup>th</sup> to review capital expenses for both the Regional Water and Sewer Funds.

Councilmember Yund requested explanation of the unaccounted average, which totaled 31% between October 2004 and September 2005. Vorse stated the unaccounted percentage fluctuates as a result of leaks in the system. Once repaired, the unaccountable value decreases. He added that a 10% average is expected in a system which accounts for losses attributable to instances such as for hydrant use. Vorse stated new water quality standards will be mandating cities to control losses in accordance with federal water conservation policies.

3915 Councilmembers Smith, Yund and Skeie will be unable to attend the budget workshop scheduled for October 6<sup>th</sup>. Councilmember Marcil and Mayor Larsen recommended that the workshop meeting be cancelled and rescheduled for 7:00 p.m. on October 10<sup>th</sup>, prior to the regular council meeting.

4021 Vorse distributed a worksheet comparing costs between funding for a full-time Control/Electrician Specialist and what has been spent within the past nine months for contracted electrical work. Vorse projected the 2005 year end cost for contracted electrical work to be approximately \$52,000 and estimated next year to cost approximately \$62,000. If the city approved the proposed new position, benefits and wage costs would be approximately \$62,000.

Vorse noted added advantages to this position would be realized in other areas such as the ability to do wiring for communications and electrical systems, particularly for the police department facility upgrade, the ability to complete the lighting upgrade for the library and the ability to install new computer upgrades in the finance office.

Councilmember Smith voiced concern that analytical training for complex systems takes a lot of training. In addition, the contracted electrical work also includes equipment costs. Vorse agreed that in some circumstances an outside firm will be required to repair some of the more intricate problems, however the new employee will also help offset costs in other departments.

Vorse noted that the sewer operating plans call for two full-time people to run the plant. The city is doing so with one person.

Vorse summarized problems that have occurred at the Regional Water Plant that required contracted electrical work. Councilmembers Smith and Yund voiced concern that Vorse will not be able to find a qualified person that could fill all of the job description qualifications. Vorse stated he is aware of two or three people already in the area that would qualify for the position.

Councilmember Smith stated he would be more interested in contracting with a company for \$40,000/year that would be on-call and would be qualified to meet

all repair needs. Vorse noted that the city use to do this, however each time a new person from the company would respond, time was wasted because they had to familiarize themselves with the city's systems.

4769 Meeting adjourned at 8:45 p.m.

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Mayor Barbara Larsen

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Clerk-Treasurer