CALL TO ORDER
Mayor Paul Helenberg called the December 17, 2012 regular meeting of the Castle Rock City Council to order at 7:30 p.m., followed by the Pledge of Allegiance. The following councilmembers were present: Glenn Pingree, Earl Queen, Mike Davis and Ellen Rose. Councilmember Teter was absent.

DEPARTMENT REPORTS
Police Chief Bob Heuer
Police Sergeant Scott Neves reports ten youths; five from Castle Rock and five from Toutle, went Christmas shopping as part of the ‘Shop with a Cop’ event last Saturday. The local economy benefited with gift certificates for Cascade Select Market given to each youth. Mayor Helenberg thanked Officer Worley for an outstanding job organizing this event. He pointed out that other law enforcement agencies have followed Castle Rock’s example and begun their own event.

Public Works Director David Vorse
Vorse reports that he submitted an extension request to accept the Drinking Water State Revolving Fund (DWSRF) loan for a water booster pump station on Carpenter Road, but has not yet received a reply.

Vorse requests approval to submit two grant applications for Cowlitz County Rural County Public Facility Funds (CCRD) for:
1. Carpenter Road Booster Pump Station and
2. Front Avenue Improvement Project and Implementation of Strategic Marketing Plan Phase 2.

The $275,000 grant application for Carpenter Road Booster Pump Station was written with the assumption of accepting a $308,000 DWSRF loan to increase capacity for future development. CCRD funds are awarded for use on public facilities for the purpose of economic development. An application to provide a pump station to serve only the existing services may not score well for an economic development grant.

Councilmember Pingree believes that consensus of council was not to expend funds for this pump station serving seven customers outside city limits. Vorse explained that he is unsure if the Department of Health (DOH) will make an issue of this low pressure area if funding is available but not accepted. Several cities have the same issue with areas of low pressure at connections allowed near a storage reservoir. Funding from the DWSRF requires that the work be contracted, city forces cannot be used.

In response to a question from Councilmember Davis, Vorse specified that to date DOH has not required purveyors to resolve these low pressure areas. However, DOH does consider this to be a potential health hazard. The engineer’s estimated cost for a booster pump station to accommodate future development is $584,000. Mayor Helenberg suggests submitting the CCRD grant application.

Vorse reviewed the proposed CCRD application for Front Avenue Improvement Project and Implementation of Strategic Marketing Plan Phase 2 in the amount of $250,000. If awarded, $30,000 would be used for continuation of the Strategic Marketing Plan and $220,000 would provide match for grant funding on the Front Avenue Improvement Project.

Councilmember Pingree noted support for the Front Avenue Improvement Project and Implementation of Strategic Marketing Plan Phase 2 application. However, if the grant is
received for the Carpenter Road Booster Pump Station, a loan is still needed for that project. This project would obligate the citizens of Castle Rock with the burden of a water rate increase. This would be an unjustifiable increase with a small percentage of the costs paid by the few that receive the benefit. Any future development would need to share this expense. Councilmembers Queen, Rose and Davis concurred.

Mayor Helenberg noted that in the future, DOH may require this improvement. Vorise specified that in the interim customers can be required to obtain and maintain backflow devices to reduce the potential for a backflow event. In addition, when the DOH initiates a new requirement, time is given before enforcement.

Clerk-Treasurer Ryana Covington
Covington reviewed the November Cash and Investment Activity Report. Shortages in the Boat Launch Fund have been resolved following receipt of grant reimbursements. Negative balances within the Municipal Water Capital Improvement Fund were resolved through a budgetary amendment for the C Street Water Main Replacement Project.

COUNCIL AND AD HOC COMMITTEE REPORTS
Councilmember Glenn Pingree
Pingree noted that while shopping in Bredfield’s True Value, he was impressed by their employee’s efforts to welcome new residents to Castle Rock. He felt this added service is a positive reflection on local business support of the community.

The December CARE Coalition meeting was cancelled.

CEDC Representative Nancy Chennault
Mayor Helenberg reviewed the written report submitted by Chennault. A national company has agreed to provide the Castle Rock America In Bloom project with new ‘state of the art’, baskets that provide water retention capabilities. This product will be used for evaluation purposes and will save the city labor costs. Three cases of baskets will be provided at no charge to the city.

CONSENT AGENDA
Councilmember Queen made a motion, seconded by Rose to approve the minutes of the December 10, 2012 Regular Council Meeting. By roll call vote, unanimous Aye.

OLD BUSINESS
1. Councilmember Pingree made a motion, seconded Queen to approve Ordinance 2012-08 amending the stormwater rates for Castle Rock utility customers effective January 2013 utility billing cycle, on second reading. By roll call vote, unanimous Aye.

2. Councilmember Davis made a motion, seconded by Rose to approve Resolution 2012-10 amending the sewer base rate for Castle Rock utility customers effective January 2013 utility billing cycle, on second reading. By roll call vote, unanimous Aye.

3. Councilmember Pingree made a motion, seconded by Rose to approve Ordinance 2012-09 adopting the budget for fiscal year ending December 31, 2013, on second reading.

Discussion: Councilmember Queen noted that each year budget deficiencies must be resolved and every year council is further removed from budget discussions. He requested that Councilmembers be provided opportunities to meet with the mayor to review proposed budget cuts.

In response to a comment from Councilmember Queen, Mayor Helenberg detailed that each department had to make cuts from their initial budget proposal. Police Sergeant
Neves clarified that approximately $90,000 was reduced from the first proposed budget for the Police Department. Mayor Helenberg pointed out that the initial proposed General Fund Budget submission had a shortfall of $200,000.

Mayor Helenberg agreed to hold one meeting to work with councilmembers during the budget process. However, councilmembers do not have the time, nor is it productive to meet repeatedly to debate each line item. It is the mayor’s responsibility to present a budget and council’s responsibility to adopt a budget. He noted that Councilmembers had two weeks to review this budget. Council must also be reminded that reductions in other fund expenditures cannot be used to increase General Fund revenues.

Councilmember Davis expressed concern that lack of training due to budget constraints could bring repercussions upon the City. Mayor Helenberg specified that officer training was not reduced. Sergeant Neves stated that firearms qualifications were not met in 2012 and will not be met again in 2013 due to ammunition and firearm cuts. This opens liability to the city, as a lack of funding is not a defense for not meeting state standards. Mayor Helenberg noted that due to annual General Fund revenue concerns, priority purchases should be made before the end of the year. He added that the police department’s purchase of ammunition was not made until November. In addition, the Police Clerk position has been retained long after the amount allocated for that position was expended. The mayor added that it is the Police Chief’s responsibility to manage the Police Department Budget.

In response to a question from Councilmember Pingree, Neves clarified that $200 to $300 of ammunition per officer is needed to meet state standards. When Reserve Officers are added to this equation, the amount reaches about $3,600 annually. Councilmember Pingree specified that if funds are sufficient following the quarterly review, a budgetary amendment could be approved to increase allocations for ammunition.

Mayor Helenberg cautioned that a sufficient beginning fund balance must be maintained in the General Fund to qualify for grant funding. Although the Police Department did make cuts, every department did also. In addition, $35,000 to $40,000 in General Fund revenues were budgeted that may not be received. The mayor noted that this city is not the only entity facing General Fund shortages. Furthermore, the General Fund is required to support overwhelming expenses for services with negligible returns such as jail and 911.

Vote on motion: By roll call vote, unanimous Aye.

NEW BUSINESS
1. Councilmember Davis made a motion, seconded by Pingree to accept three Transportation Improvement Board grants for fiscal year 2014, described as:

Project #1. TIB Project Number P-W-952(P02)-1, Huntington Avenue N, Barr Street to approximately 160 feet south, as part of the Front Ave N Improvement Project, in the amount of $146,150 and city match contribution of $7,692.
Project #2. TIB Project Number 2-W-952(004)-1, for seal coat of various streets, in the amount of $49,798 and city match contribution of $2,621. Approved segments are:

<table>
<thead>
<tr>
<th>Road</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Road</td>
<td>Huntington Ave S to south city limits</td>
</tr>
<tr>
<td>Bond Road</td>
<td>Huntington Ave S to north city limits</td>
</tr>
<tr>
<td>Kalmbach Road</td>
<td>Huntington Ave S to city limits</td>
</tr>
<tr>
<td>Little Ave NE</td>
<td>Sears Ct to Ramsey St NE</td>
</tr>
<tr>
<td>Little Ave NE</td>
<td>Ramsey St to McCoy St NE</td>
</tr>
<tr>
<td>McCoy St NE</td>
<td>Entire length</td>
</tr>
<tr>
<td>Walsh Ave NE</td>
<td>Entire length</td>
</tr>
</tbody>
</table>
Project #3. TIB Project Number 2-W-952(003):1, for overlay of various streets, in the amount of $82,739 and city match contribution of $4,355. Approved segments are:

<table>
<thead>
<tr>
<th>1st Ave SW</th>
<th>C St to D St SW</th>
</tr>
</thead>
<tbody>
<tr>
<td>4th Ave SW</td>
<td>Aden St to Shear St SW</td>
</tr>
<tr>
<td>6th Ave SW</td>
<td>Warren St to Hibbard St SW</td>
</tr>
<tr>
<td>6th Ave SW</td>
<td>Hibbard St to Diane St SW</td>
</tr>
<tr>
<td>Brierwood Ct SE</td>
<td>Allen Ave to 2/3 length</td>
</tr>
<tr>
<td>Cowlitz View Ct</td>
<td>Entire length</td>
</tr>
<tr>
<td>Hibbard St SW</td>
<td>5th Ave to 6th Ave SW</td>
</tr>
</tbody>
</table>

Discussion: In response to a question from Vorse, City Attorney Randolph stated that he has reviewed and agrees with the form of these agreements.

Vote of motion: By roll call vote, unanimous Aye.

2. Councilmember Pingree made a motion, seconded by Queen to approve Ordinance 2012-10 amending the budget of the City of Castle Rock for fiscal year ending December 31, 2012, on first reading.

Discussion: In response to a question from Mayor Helenberg, Covington outlined the reasons for the amendments as detailed within the proposed ordinance. In response to a question from Councilmember Davis, Neves clarified that new computer equipment is needed to operate the CAD Operations System which Cowlitz County has adopted and will implement in March 2013. Currently a quarter of police equipment will be operational with the new system. Covington detailed that $400 was allocated for this expense. This amendment uses $3,100 from the ending fund balance.

In response to a question from Councilmember Davis, Covington detailed that the Regional Water Fund amendment is for building maintenance and office and operating supplies due to construction of a new office plus unbudgeted overtime expenses. Also included is an end of the year purchase of aluminum sulfate for water treatment that was not budgeted. Vorse clarified that office construction should not have been paid from Regional Water. He will meet with Covington to clarify the appropriate line item for office construction expenditures. Vorse pointed out that the ending fund balance can cover these expenses.

Covington specified that these amendments are being recommended to offset anticipated expenditure overages for each specified fund total allocation; not individual line items. She noted that December expenditures will not be paid until January at which time actual end of the year expenditure totals will be available.

Vote on motion: By roll call vote, unanimous Aye.

3. Castle Rock Library Board submitted a request to cancel the proposed February Special Levy election for submitting to voters a special excise tax to support library services. The library board noted that election cost estimates exceeded what they could pay.

Councilmember Queen made a motion, seconded by Pingree to remove the proposed February 2013 special levy election from consideration.

Discussion: Mayor Helenberg clarified that officials from Cowlitz County Elections office have informed the city that no additional entities will be running special levies in 2013. If the city chooses to run the Library Special Levy Election, the city will need to cover the full cost; estimated to be $35,000 to $55,000.

Vote on motion: By roll call vote, unanimous Aye.
ADJOURNMENT
There being no further business, Mayor Helenberg adjourned the meeting at 8:19 p.m.

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Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington