

0005 Mayor Barbara Larsen called the regular meeting of the Castle Rock City Council to order at 7:32 p.m., with the following councilmembers present: Khembar Yund, Greg Marcil, Julie Bean and Jeff Skeie. Councilmember Ed Smith was absent.

0053 Councilmember Bean made a motion, seconded by Marcil to approve the minutes of the November 13, 2007 Regular Council Meeting. By roll call vote, Councilmembers Yund and Skeie abstained, the rest Aye, motion passed.

0086 Councilmember Bean made a motion, seconded by Yund to approve the minutes of the November 14, 2007 Budget Workshop Meeting. By roll call vote, Councilmember Skeie abstained, the rest Aye, motion passed.

0130 Jim Erskine, 240 Buland Drive, requests a utility adjustment due to unusual circumstances. When Mr. Erskine returned from vacation, he discovered an outdoor faucet had been turned on. He speculated that this was an isolated incident due to Halloween.

Clerk-Treasurer Ryana Covington explained that this adjustment was not on the agenda as her office received notice of this request today, therefore paperwork has not yet been prepared. However, Public Works has verified that there is not a leak at this address.

Mayor Barbara Larsen suggested to Mr. Erskine that next time he remove outdoor faucet handles before leaving home for an extended period.

0348 Councilmember Yund made a motion, seconded by Skeie to approve a utility adjustment at 240 Buland Drive for unusual circumstances in accordance with city policy guidelines. By roll call vote, unanimous Aye.

0375 Mayor Larsen opened the Public Hearing at 7:38 p.m. to take testimony on the preliminary budget for fiscal year ending December 31, 2008, including proposed rate increases for stormwater utility, water utility and sewer utility services.

Covington reviewed the proposed 2008 budget in the amount of \$10,759,904:

Personnel Increases

4.43% Increase for CBA Clerical

4% Supervisory and Non-bargaining part-time employees

4% increase for CBA Police

2.43% Increase for CBA Public Works

Increase Mayor compensation to \$300/month = \$3600/year

Industrial Insurance – 3.2% increase

Pension - Rate increase from 6.13% to 8.33% in 2008 for PERS II employee

Rate increase from 5.33% to 5.48% in 2008 for LEOFF II employee

Health Insurance – estimated 10% increase

Executive Department

Legal Services – City Attorney ; 10% increase

Phone System Lease; \$840/year for the next 5 years

Hearing Examiner Services - \$1,000 increase (2007 YTD costs = \$925)

Municipal Court

Professional Services – Prosec Attny \$5,000 increase

Attorney Fees – Court Appointed \$3500 increase

Offender Services \$300 increase

Finance Department

Phone System Lease; \$840/year for the next 5 years

Police Department

Phone System Lease; \$840/year for the next 5 years

Capital Outlay - \$3500 for purchase of equipment WASPIC Grants

Park Department

Completion of DOT west side survey - \$7,000 (Revenue calculations include \$14,000 Rural Development grant reimbursement.

Non-Departmental

Ending fund balance of \$135,287

WA State Audit - \$5,000 (remaining cost of audit to be shared with Regional Sewer Fund)

Books, maps, periodicals - \$5,000 completion of municipal code revision project

Phone System Lease; \$840/year for the next 5 years

Building Maintenance - \$5,000 (Some projects for consideration include exterior painting using PW staff - \$5,000; develop storage facility for mandated archive files - \$4500)

LEOFF Medical Insurance Premium– increased from \$20,912 to \$27,091 and from \$36,049 to \$40,375 per year (paid on a quarterly cycle)

LEOFF Medical bills- increase an additional \$10,000

City Vehicle costs - \$2500 appropriated for upkeep

Planning costs - \$2,000 increase (GMA planning grants)

Capital Outlay - \$2500 for shelving (for archive file room)

Interfund transfers – Street Fund - \$89,675 (\$15,225 Decrease)

Library Fund Transfer - \$3658 (\$1412 Increase)

Accumulative Reserve - \$2500 (no increase)

Water/Sewer Fund - \$2800 (no increase)

Street Fund

Contracted Repairs & Maintenance – Sidewalks - \$25,000 (funded DOT Grant)

Capital Outlay - \$950 for a portable welder

Arterial Street Fund

Crack seal Huntington Avenue, from A Street to Exit 48 - \$10,000

Cowlitz Street West upgrade - \$1,336,000 (funded by \$486,000 Safetea-Lu Grant; \$600,000 SCAP Grant; \$250,000 Rural Development Grant)

Criminal Justice Fund

Grant programs for domestic violence (support shelter), bike patrol and youth programs

Local Criminal Justice Fund

Upstairs construction – stairway	\$15,000
2007 Vehicle lease (existing)	\$14,000
Sprint contract (existing)	\$ 1,450
Portable radios (2@ \$400 ea)	\$ 800
Patrol car video	\$ 3,000
Single Lens Reflex Camera	\$ 1,050
Hard armor plates (4@\$600 ea)	\$ 2,400
In-Focus projector	\$ 600
Lexipol (Per COP)	\$ 3,000
Go Bags (for reserves)	\$ 1,300
Computer workstations	\$ 3,900
Evaluation software	\$ 500
Breaching tools	\$ 700

DOT Spoil Site

Portable Cameras	\$3,500
Riverfront Trail Extension (Grant Funded)	\$200,000
Trail light replacement	\$8,000
Skate Park equipment (city match)	\$5,000
Boat Launch Facility (Grant Funded)	\$1,257,000

Public Works Vehicle Replacement

Skid Steer or Loader \$25,000

Water Fund

Utility billing system (1/2 cost share)	\$10,000
Water main project (Hibbard \$11,000) and (First Avenue \$15,000)	\$26,000

Sewer Fund

Utility billing system (1/2 cost share)	\$10,000
2/3 cost share – mandatory sewer inspection plan	\$8,000

Regional Water Fund

Water Treatment Plant Upgrade (DWSRF Loan 20 yr, ½%)	\$1,900,000
Lower water main at Powell Rd	\$5,000
½ share Treatment Plant Operator (new position)	\$19,608

Regional Sewer Fund

- 1/3 cost share – mandatory sewer inspection plan \$4,000
- ½ share Treatment Plant Operator (new position) \$19,608

Stormwater Management Fund

Levee certification through contract with ACOE \$20,000

This certification is not being required by FEMA, however, the levee would receive a lower classification on the FEMA Floodplain Map if not certified. A lower classification on this map would result in a significant homeowner’s insurance increase for City residents. The increase would be approximately \$1,500 per year for a \$150,000 home.

Tree removal on levee (per ACOE recommendation) \$10,000

Lions Pride Park erosion mitigation \$5,000

PENDING PROJECTS

(Funded only if revenues are available- council approval will be required)

Police Department - New Vehicle Lease \$15,000

Street project - \$32,000

Covington reviewed the Stormwater Management Fee Schedule. The current rate is \$2.50 per month for residential customers and the proposal is to increase rates an additional 50% for all users. As an example: the proposed 2008 rate will increase residential customers \$1.25 for a monthly fee of \$3.75. This increase will provide revenue for levee certification and recommended tree removal.

Covington reports that a \$26,000 deficit in this fund will require a utility increase of approximately 15% in 2008 to balance the proposed budget. The proposed Water and Sewer Fee Schedule for 2008 completely amends the current billing structure and encourages conservation, as council requested. The proposed new schedule would include a base rate and then a separate rate for every 100 cubic feet of use. The base fee provides revenues for operation and maintenance costs. The cubic feet use fee provides revenue to support expenses directly related to the purchase of water and processing of sewer from each of the Regional Treatment Plants.

An assessment of customer usage for one year reveals that the majority of customers use 1300 cubic feet per month (cf/m) or less. With an average of 850 active accounts, 100 of those accounts do not have sewer service. Of those accounts, 37 customers use 0 cf/m, 53 customers use 100 cf/m and 85 customers use 200 cf/m. The average residential customer uses approximately 400 or 500 cf/m.

Current rates were compared to the proposed 2008 rates:

Monthly Rate	Water Base	Water /100 cf	Sewer Base	Sewer /100 cf
Current Rate	\$14.70	\$3.75	\$52.00	\$0 ≤1000 cf \$3.35 > 1000 cf
2008 Rate	\$28.00	\$3.00	\$18.00	\$7.15

Covington also provided councilmembers with an analysis for a rate fee with a 15% increase of the current schedule.

In response to a question from Councilmember Yund, Covington specified that the funds from Low Income Housing Fund can be used to assist low income residents with utility bills. A committee to determine guidelines for that use would need to be formed by the mayor. Councilmember Yund believes these guidelines should be established as soon as possible.

In response to a question from Mike Mask, Public Works Director David Vorse reports that the Equivalent Residential Unit or average residential usage has reduced from 900 to 700 cf/m; customers are conserving water.

Covington reports that in the past, water fees have supplemented sewer service costs. This has created issues when applying for funds to upgrade the Water Treatment Plant. With the new rate structure, water fees will pay for water expenditures and sewer fees will provide for sewer costs.

Mike Mask expressed concern regarding the impact that this new rate structure may place on restaurants and motels. Bean stated that with the current rate structure residential rates subsidize business usage. Councilmember Bean noted that businesses could also find ways to conserve water. The new rate structure will encourage conservation.

Vorse reports that the lift truck cannot be repaired and he would like this item added to the Public Works Vehicle Replacement Fund budget.

2234 There being no further discussion, Mayor Larsen closed the public hearing at 8:12 p.m. and resumed regular session.

2247 City Attorney Tom O'Neill would like to discuss writing-off certain ambulance accounts as uncollectible at a later meeting. These accounts amount to approximately \$12,000.

O'Neill reports that the Homeland Security Mutual Aid Agreement creates a mechanism to provide emergency services across jurisdictional lines. This document will also provide for reimbursement for any out-of-district crisis response.

In response to a question from Covington, Police Sergeant Scott Neves clarified that the reimbursement rates set by FEMA will be used. Vorse added that the City also has the option of setting reimbursement rates.

Police Chief Bob Heuer reports that services can be declined. This agreement is required to be eligible for numerous grants.

Tape 1 of 1

Side B

- O'Neill stated that this contract should be in place prior to an unanticipated disaster or other need. Vorse requests the opportunity to review this agreement prior to enactment by the city council.
- 2635 Police Chief Bob Heuer would like to table the presentation of the 5-Year Plaque to Sergeant Neves until Councilmember Smith is present.
- 2699 Mayor Larsen stated that the local television station, KLTV, will be doing a program on how the community of Castle Rock assists its residents. The program, "Impact", is scheduled to air on Monday.
- 2785 Vorse reports that the property owner where the recycling center currently is located, wants the recycling center moved by January 1st. A possible new location could be the south end of Lions Pride Park (LPP) or on the north side of the Wastewater Treatment Plant (WWTP). These areas could both be rocked and fenced. The primary concern with the recycling center is that it attracts illegal dumping. In the near future, a 14-lot subdivision is to be built north of the WWTP which will decrease the seclusion of the WWTP site.

Councilmember Marcil would prefer to keep the location as visible as possible to discourage dumping and vandalism. He believes that the WWTP location would be too isolated and more problems will occur due to that isolation. Covington noted that the center is currently located in a high traffic area between two arterial streets, and illegal dumping still occurs. Mike Mask also believes that a more remote location will greatly exasperate the dumping problem. Councilmember Marcil prefers the LPP location.

Councilmember Bean is concerned that a lot of funds and effort have gone into beautifying the south entrance into town. For that reason, LPP would not be a good location for the recycling center. She also feels that the recycling bins need to be emptied more frequently.

In response to a question from Councilmember Skeie, Vorse answered that Public Works cleans the center twice weekly and Waste Control dumps and cleans twice weekly. In addition, the property owner has been cleaning the center.

Councilmember Skeie stated that although he is concerned with using the WWTP location due to the seclusion of that location, he also does not want to add recycling bins to the entrance features. There is also the possibility that illegal dumpers would not be as aware of the center's location near the WWTP. Vorse noted that illegal dumping is problematic behind the Skate Park due to the seclusion. The ideal solution would be to find a location that could be easily monitored.

Councilmember Yund stated that if the recycling center was located at the very south end of LPP and fenced it would not detract from the entrance features.

Vorse specified that once a permanent site is established the City could apply for a Solid Waste Improvement grant to help keep the area clean.

- 3541 Vorse reports that utility hookup rates have not been updated since 2000. The costs for labor, materials and equipment have significantly increased since that time. Vorse stated that these costs can be provided if requested. Vorse asked councilmembers to consider increasing the rates, which do not include the fee for system development charges. Updates of the system development charges will require thorough research by the City Engineer. In addition, Vorse would like to begin installing radio read meters which are more expensive than standard meters.

Councilmember Yund would like to see what the actual costs are.

- 3774 Vorse reports that he has been notified by Cowlitz County that the contractor doing street overlays has asked for an extension of time to complete that work as weather conditions are no longer conducive to paving. In answer to a question, Vorse stated the contractor could be required to complete the work but would not be responsible for the quality of work under those circumstances. Therefore, Woodard Avenue NE overlay will not be completed this year. To complete this work, those funds must again be budgeted for this project in 2008.

In response to a question from Councilmember Marcil, Vorse clarified that the contractor will be required to complete this work at the same rate, however, Cowlitz County may increase costs for any prep work that may be needed.

Steve White, 424 Balcer Street NE, requests that residents be notified of this delay. Councilmember Skeie asked Vorse to provide notification to residents.

- 4144 Vorse reports that six grant applications were submitted to the Washington State Transportation Improvement Board for Small City Preservation Program funding. Only streets with higher pavement ratings qualify. The applications for street overlays and chip seals were unsuccessful. The application for residential sidewalks was awarded \$25,000. The sidewalk application for Cowlitz Street West received a rating of 55, funding was cut off at 56.

- 4283 Vorse stated that the flag pole at LPP broke during the wind storm a few weeks ago. In addition, some roofing came loose from the Exhibit Hall during that storm. Public Works Personnel have secured that roofing.

- 4335 Steve White requests that a patch be applied to the area surrounding the water valves on Woodard Avenue NE. Vorse explained that the water valve boxes were

- raised to be level with the finished overlay. The risers may be removed until needed.
- 4377 Clerk-Treasurer Ryana Covington discussed the Fund Summary report that was distributed to councilmembers. She noted the deficit in the DOT Spoil Site Fund has been resolved with revenues received at the beginning of November.
- 4415 Librarian Vicki Selander reports that the library levy is passing with a small margin. The levy will be certified tomorrow.
- 4437 Report of Meetings
Councilmember Marcil attended a Regional Water Board Meeting and reports that the rates will remain the same for 2008.
- Mayor Larsen attended a Health Board Meeting where she learned that Doctor Mimi Fields will be resigning from the Cowlitz County Health Department.
- 4489 Councilmember Skeie made a motion, seconded by Marcil to approve Resolution 2007-07, pursuant to Section 209 of Referendum 47 of the State of Washington, authorizing an increase in the regular property tax levy, in addition to any amount resulting from new construction, improvements and any increase in the value of state assessed property, from the amount that was levied in 2007, on second reading. By roll call vote, unanimous Aye.
- 4608 Councilmember Yund made a motion, seconded by Bean to approve Ordinance 2007-10 amending Ordinance 97-25, in part, and reestablishing compensation for the Mayor's position, on first reading. By roll call vote, unanimous Aye.
- 4625 Councilmember Bean made a motion, seconded by Yund to approve Ordinance 2007-11 amending the Stormwater Management Fee Schedule, on first reading. By roll call vote, unanimous Aye.
- 4645 Councilmember Yund made a motion, seconded by Bean to approve Ordinance 2007-12 adopting the budget for fiscal year ending December 31, 2008, on first reading. By roll call vote, unanimous Aye.
- 4660 Councilmember Yund made a motion, seconded by Bean to approve Resolution 2007-08 amending water and sewer utility rate schedules, to include a complete modification of the billing system as described earlier, on first reading. By roll call vote, unanimous Aye.
- 4678 Mayor Larsen adjourned regular session at 8:58 p.m. for a 10 minute Executive Session to discuss possible litigation.
- 4695 There being no further business Mayor Larsen reconvened and adjourned the meeting at 9:09 p.m.

Regular City Council Meeting

November 26, 2007

Mayor Barbara Larsen

Clerk-Treasurer