

CALL TO ORDER:

Mayor Paul Helenberg called the January 27, 2014 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: Ray Teter, Lee Kessler, Earl Queen, Mike Davis and Ellen Rose.

BUSINESS FROM THE FLOOR:

1. Steve Corrie, representing Mt. St. Helens Motorcycle Club (MSHMC) requested an update on the facility agreement being developed by the city attorney to allow MSHMC to use property owned by the city and Washington State Department of Natural Resources for motorcycle races this spring. Mr. Randolph, city attorney, provided Mr. Corrie with a copy of the Facility Use Insurance And Indemnification Agreement proposed for council review at this meeting. Randolph stated this form outlines the purpose of the use and responsible parties. It also requires the user to procure and maintain comprehensive liability insurance and to name the city as an additional insured.

In answer to the mayor's question, Corrie stated the club wants to hold one or two events this spring. The club will not do any excavation on the site, however they would be cutting some of the scotch broom and marking the course. He expects there will be 100 - 200 people at each event. Paul Simonsen, MSHMC, said he would eventually like to create a six-race series to be run in conjunction with other surrounding tracks. Simonsen stated fliers would announce the upcoming events and asked if the City of Castle Rock wanted to be included on the flier. By consensus, councilmembers asked if Simonsen could include the city's logo on the fliers.

Mr. Randolph noted this agreement would be good for property owned by both the city and Washington State Department of Natural Resources.

2. Jeanne Norris, representing Castle Rock Seventh Day Adventist Church submitted a letter requesting permission to erect banners on city right-of-way to advertise a public showing of the movie 'Hell and Mr. Fudge'. Signage would be located at both the south and north entrances to the city and will be exhibited from February 24th through March 10th.

Councilmember Rose noted a committee was working on guidelines for placement of signage on city right-of-way and asked for an updated status. Vorse stated the Chamber of Commerce has received a draft of those guidelines for their review. Randolph noted the city currently does not have any formal guidelines yet, therefore the city needs to adhere with past practice.

Councilmember Queen made a motion, seconded by Kessler to allow placement of

event signage as outlined in the January 17, 2014 letter of request submitted by the church. By roll call vote, unanimous 'Aye'.

3. Don Miller, Cowlitz View Court NW asked city councilmembers how they plan to fund the increase in clerical salaries as outlined in the two-year collective bargaining agreement proposal. He asked if this will require an increase in utility rates. Mayor Helenberg stated the 2014 budget already included an estimated increase of 3% for the three clerks covered under this bargaining unit. He also noted the current year budget does include water and sewer utility increases of 3.5% and a 2% increase in stormwater fees. Councilmembers noted it has been recommended that rates are increased annually; as much as 5% to meet system requirements. Helenberg stated this would be the first salary increase for the clerks in two years. The mayor explained that costs to produce water and treat waste also increase every year and are subject to direct cost increases for chemicals and electricity. Covington stated councilmembers established the utility rate increases for 2014 to provide additional funds for repayment of the Front Avenue utility reconstruction loan and also to provide funding for several utility upgrades planned in 2014. These utility upgrades are scheduled to be completed in conjunction with upgrades to 28 sections of residential streets. Mayor Helenberg noted rate increases should have been higher; instead city council did not fund two positions within the public works department, which allowed a lower rate increase to be imposed. Mayor Helenberg stated he appreciated Mr. Miller's concern.

PRESENTATION:

Mayor Helenberg presented former city councilmember Glenn Pingree with a plaque to thank him for his service to the city. The mayor noted Mr. Pingree always volunteered to work on committees and city-related projects. Mr. Pingree has since been appointed to serve as a commissioner on the Castle Rock Park Board.

DEPARTMENT REPORTS:

Police Chief Bob Heuer

Provided updates on the burglary at The O Tavern and also on recent car prowls. Heuer stated his officers have identified possible participants to the car prowls and will continue with their investigation.

Councilmember Rose thanked the police for assisting with a criminal case that occurred at her business last year. She recently received a check for restitution relating to that incident.

Public Works Director David Vorse

Completed a project 'walk through' today for the Front Avenue reconstruction project; noting there are still a few items remaining to be completed. Vorse asked if councilmembers would like to schedule a ribbon cutting commemorating completion of

this project on February 21st in the afternoon. He stated that Dr. Kennington has offered the use of the Clock Tower Conference room for the event. Vorse suggested this might also be an appropriate time to recognize those who are doing volunteer work for the city.

Council and Ad Hoc Committee Reports

1. Mayor Helenberg attended mini plays conducted by students at the Middle School. He stated students did a very good job with their performances.

CONSENT AGENDA:

1. Councilmember Queen made a motion, seconded by Davis to approve the January 13, 2014 minutes, as presented. By roll call vote, unanimous 'Aye'.

OLD BUSINESS:

1. Covington noted Ordinance No. 2013-15, an ordinance amending the 2013 Police Department budget, was tabled at the last meeting by Councilmember Kessler to allow for additional time to assess the final budget 2013 expenditure needs for the police department. She feels this ordinance may not be required for the police department, but she is still working to close 2013 fiscal records. She requests council consideration of this issue at the next regular meeting. In answer to Councilmember Davis' question, Covington state this ordinance was passed on first reading, so she believes the second reading can be delayed; especially since there is a good possibility that the ordinance will not be required for 2013.
2. Councilmember Davis made a motion, seconded by Queen to approve Resolution No. 2014-01, a resolution authorizing Councilmember Lee Kessler to serve as volunteer reserve law enforcement officer in accordance with RCW 35A.11.110, on second reading. By roll call vote, Councilmember Kessler recused himself. Councilmembers Teter, Queen, Davis and Rose voted 'Aye'. Motion passed.
3. Councilmember Davis made a motion, seconded by Rose to approve Ordinance No. 2013-16, an ordinance amending the budget for fiscal year 2013 for various funds, on second reading. By roll call vote, unanimous 'Aye'.

NEW BUSINESS:

1. Mayor Helenberg stated the lease agreement between the city and Castle Rock Senior Center expires March 31, 2014. The mayor stated that Councilmember Queen has suggested instead of a five-year lease, the city might consider a two-year lease for the term on a new agreement. Mayor Helenberg stated he would contact Castle Rock Senior Center President Myron Nelson to arrange a time to discuss renewal of the agreement. Councilmembers Teter and Kessler agreed the term for the new agreement should not exceed two-years. By consensus, councilmembers agreed to direct the mayor to limit the agreement term to two-years when discussing this issue

with Mr. Nelson.

2. Mayor Helenberg requested councilmembers review the gambling tax assessment for commercial operators, established under RCW 9.46.110. He stated the Pastime Tavern is the major contributor of gambling tax revenue for the city and the owners stated they are unable to make any profit due to city tax requirements for gambling. Helenberg stated these owners also have a tavern in Lewis County; which does not charge taxes for gambling. Helenberg stated the city receives approximately \$21,000 annually for gambling taxes; which are paid by three establishments. Patti McVay, stated she owns a business next to the Pastime Tavern. McVay stated the city has expenses to pay and the Pastime Tavern owners have had this business up for sale for years.

Mayor Helenberg stated this may be true, however if the business closes completely, then the city will lose most of this revenue source. Covington stated the city currently taxes commercial establishments at the highest optional rate available under the RCW for punchboard and pulltabs. She noted RCW 9.46.110 (e) provides a taxing option based on gross receipts, less the amount awarded in cash or prizes. Covington noted that proceeds from gambling tax revenues are intended to mainly support law enforcement services. Mayor Helenberg stated he would not be in favor of eliminating the tax; however he felt a committee should be formed to evaluate the tax rate charged for commercial businesses. Councilmembers Teter and Kessler agreed to evaluate the gambling tax rate and then prepare a recommendation for council consideration.

3. City Attorney Randolph advised his contract with the city will terminate on March 31st. He presented councilmembers with an amended two-year contract that includes a 3% increase in the hourly rate; from \$150/hour to \$157.50/hour. Randolph stated he has also added Nicole Tideman to the contract at a rate of \$140/hour. Councilmember Kessler asked if this increase was included in the 2014 budget. Covington stated no increase was included in the 2014 budget; however to control costs, the mayor has directed staff not to solicit attorney services without first obtaining approval from the mayor. In response to Councilmember Kessler's comment, Mayor Helenberg stated this is a policy that is already in place.

Councilmember Queen made a motion, seconded by Rose to approve the proposed service contract with Walstead and Mertsching for provision of city attorney services as outlined in the amended two-year contract. By roll call vote, unanimous 'Aye'.

4. Councilmember Queen made a motion, seconded by Kessler to approve the amended clerical bargaining contract between the city and Teamsters Local 58, for a term of two-years (2014 - 2015). By roll call vote, unanimous 'Aye'.

Public Works Director Dave Vorse advised that Cowlitz County Public Works Department has requested the Regional Utility Board consider an adjustment to the amount billed to Cowlitz County for purchase of water due to a significant leak incurred by one of the county customer's residential property. Vorse explained the Regional Utility System is owned and operated by the city and has only two customers; the city and Cowlitz County. These two agencies are invoiced each month, based on metered usage, at a rate determined by the Regional Utility Board. Both the city council and Cowlitz County have representatives serving on the Regional Utility Board, which govern operations of this system. He stated the county's request is very unusual and the Regional Utility Board has never received such a request from either of their two customers.

Vorse stated one of the county's own residential customers incurred a leak, which resulted in a one-month usage of 49,500 cubic feet. According to Cowlitz County Public Works, the customer's average usage is only 100 cubic feet/month. Cowlitz County commissioners have agreed to provide a leak adjustment for the customer in the amount that the county assessed at the billing rate adopted by the county, which is approximately \$3,000. If the Regional Utility Board approves a leak adjustment for the county's loss from purchasing water from the Regional Utility system, the county would pass that additional adjustment on to their customer. The Regional Utility Board charges the city and county a rate of \$.27354/cubic feet of usage for purchase of water. If the Regional Utility Board approves the county's leak adjustment request; their adjustment would equate to \$1,354.02 for the amount of that loss. Vorse stated the once the county's customer was notified of the high usage, they located the leak and it has been repaired. Covington stated if a leak adjustment is awarded, it would be directly to the county for their purchase of the water; not to the county's customer. She noted the Regional Utility Board is only responsible for their two customers.

Councilmember Teter asked why the city council was approving the adjustment. Vorse stated the city council provides advisory recommendations to their representatives on the Regional Utility Board. That board would have the final decision regarding any adjustment; however the Regional Water Fund is managed by the city through an interlocal agreement.

In answer to Councilmember Teter's question, Covington stated the city has a leak adjustment policy for users that are the city's direct customers. The policy does not extend to the Regional Utility Board, or to those users who are the direct county customers. Councilmember Kessler voiced concern that any leak adjustment provided be consistent with the city's policy for their direct customer base. In answer to Councilmember Teter's question, Vorse stated the wholesale cost to produce the water is the rate set by the Regional Utility Board; at \$.27354/cubic feet.

Councilmember Kessler stated he can see both sides of the issue; but voiced concern that the loss cannot be absorbed into the budget. He stated Public Works already had to lay off employees due to budget issues. Councilmember Teter felt a policy should be developed by the Regional Utility Board to address this issue for future cases.

Mayor Helenberg noted the city's leak adoption policy only adjusts losses for sewage costs; most county customers are not served by any county sewage system.

Councilmember Teter made a motion, seconded by Rose to recommend approval of the county's adjustment request in the amount of \$1,354.02 with the stipulation that the Regional Utility Board develop a policy to address similar issues.

5. Councilmember Kessler asked that a 2013 year-end budget summary be provided at the next meeting.

ADJOURNMENT:

There being no further business, Mayor Paul Helenberg adjourned the regular meeting at 8:35 p.m.

Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington