

- 0004 Mayor Barbara Larsen called the regular meeting of the Castle Rock City Council to order at 7:30 p.m., with the following councilmembers present: Khembar Yund, Greg Marcil, Julie Bean, Ed Smith and Jeff Skeie. All councilmembers were present.
- 0067 Councilmember Bean made a motion, seconded by Yund to approve the minutes of the November 26, 2007 Regular Council Meeting. By roll call vote, Councilmember Smith abstained, the rest Aye, motion passed.
- 0087 Mayor Larsen opened the Public Hearing at 7:38 p.m. to take public comment on the preliminary budget for fiscal year ending December 31, 2008, including proposed rate increases for stormwater utility, water utility and sewer utility services.

Clerk-Treasurer Ryana Covington reviewed the proposed 2008 budget in the amount of \$10,759,904. The 2007 budget was \$9,875,348. The cost increases are attributed to the Water Treatment Plant Upgrade Project and the Boat Launch Project. Two pending projects that will only be done if revenues are available are: Police Department - New Vehicle Lease for \$15,000 and a street project for \$32,000. If adequate funds exist, Councilmembers will determine at a later date which street will be funded for improvements.

Other notable impacts to the budget include:

- * A Stormwater Management Fee increase is needed to fund two projects:
 1. Levee Certification through contract with the Army Corps of Engineers (ACOE) in the amount of \$20,000. This certification is not required by FEMA, however, the levee would receive a lower classification on the FEMA Floodplain Map, if the levee is not certified. Lending agencies would then require residents and business owners to obtain flood insurance, which could result in a financial burden. An estimate of flood insurance costs would be approximately \$1,500 per year for a \$150,000 home.
 2. In addition, \$10,000 is budgeted for tree removal on the levee as recommended by the ACOE and \$5,000 is budgeted for erosion control at Lions Pride Park.

The proposed 2008 rate will increase 50%. For residential customers, the current monthly Stormwater Fee is \$2.50 per month for residential customers. The new rate would result in an increase of \$1.25/month, for a total monthly cost of \$3.75.

- * The Water Treatment Plant Upgrade Project, in the amount of \$1,900,000 will be funded by a Washington State Drinking Water State Revolving Fund (DWSRF) 20-year loan, at ½ % interest rate.

Association of Washington Cities (AWC insurance pool) is requiring the city to develop a Sewer Inspection Program. This cost will be shared \$8,000 from the Sewer Fund and \$4,000 from the Regional Sewer Fund.

An upgrade to the phone system will be accomplished through a lease program. The budgeted cost for the system will be shared at \$840 per year for 5 years through each of the following funds: Executive Department, Finance Department, Police Department, Non-Departmental, Water/Sewer Fund, Regional Water Fund and Regional Sewer Fund.

Covington stated that staff recommends a 15% increase in utility fees in 2008. However during budget workshop meetings, Councilmembers had directed staff to re-evaluate the current rate schedule and to develop a new schedule that would reward conservation measures. Covington explained that the new proposed rate structure is based on use and is in lieu of a flat percentage increase. With this schedule the base fee provides revenue for operation and maintenance costs. The cubic feet (cf) use fee provides for the purchase of water or sewer from the regional treatment plants. The current rate was compared to the proposed 2008 rate structure as follows:

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 stated that some residents that have a minimum usage will see a rate decrease. However, the customers with the highest usage will see a sizeable rate increase. She cautioned that this could adversely affect some businesses, with larger consumption use.

- 0750 There being no further discussion, Mayor Larsen closed the public hearing at 7:42 p.m. and resumed regular session.
- 0760 Councilmember Bean made a motion, seconded by Skeie to approve Ordinance 2007-10 amending Ordinance 97-25, in part, and reestablishing compensation for the Mayor’s position, on second reading. By roll call vote, unanimous Aye.
- 0787 Councilmember Bean made a motion, seconded by Smith to approve Ordinance 2007-11 amending the Stormwater Management Fee Schedule, on second reading. By roll call vote, unanimous Aye.
- 0811 Councilmember Yund made a motion, seconded by Marcil to approve Ordinance 2007-12 adopting the budget for fiscal year ending December 31, 2008, on second reading. By roll call vote, unanimous Aye.

- 0832 Councilmember Bean made a motion, seconded by Yund to approve Resolution 2007-08 amending water and sewer utility rate schedules, on second reading. By roll call vote, unanimous Aye.
- 0852 Clerk-Treasurer Ryana Covington requests payment of November expenditures in the amount of \$323,550.85 as outlined on the Summary of Claims and further described as check numbers 36834 through 36928 for general expenditures and check numbers 19823 through 19864 for payroll expenses.
- 0878 Councilmember Marcil made a motion, seconded by Bean to approve payment of November 2007 invoices in the amount of \$323,550.85, as described in the Summary of Claims. By roll call vote, unanimous 'Aye'.
- 0900 Covington noted that a 10% cost increase was budgeted for Oregon Teamsters Employer Trust (medical insurance), however the actual verified increase for 2008 will only be 6.9%.
- 0935 Mayor Larsen recessed the regular session at 7:45 p.m. to allow the opportunity to recognize the outgoing councilmembers. Covington was excused due to a family emergency. She thanked outgoing councilmembers for their years of hard work.

Mayor Larsen presented a plaque of recognition to:
Councilmember Julie Bean for 4 years of dedicated service,
Councilmember Jeff Skeie for over 6 years of dedicated service and
Councilmember Ed Smith for 12 years of dedicated service

Public Works Director David Vorse read a list of projects that have been completed during these councilmembers term in office:

Projects completed during Julie Bean's term as a
Castle Rock City Councilmember (2004 - 2007):

- Woodard Avenue NE Water Main Replacement Project
- C Street SW Water Main Replacement Project (Third Ave - Fifth Ave)
- Cherry Street NW Water Main Replacement Project
- Wastewater Treatment Plant Rehabilitation Construction
- Sewer Influent Trunkline Replacement Project (2000')
- Dougherty Drive Sewer Lift Station Rehabilitation
- North Street Stormwater Improvements Phase 2 and Phase 3
- Purchased Land for Downtown Stormwater Retention/Detention Project
- Entrance Features Project Phase 1, Phase 2 and Phase 3
- Downtown Parking Project Phase 1
- Front Avenue NW Sidewalk Project (Cowlitz - Huntington Avenue N)
- Park Plan Update 2005
- Award Winning Riverfront Trail Construction Project
- Cowlitz Riverbank Stabilization and Habitat Enhancement Project

- Whittle Creek Habitat Enhancement Project Phase 1
- Whittle Creek Pedestrian Bridge Placement
- Boat Launch Design
- Business Feasibility and Marketing Plan Update
- City Hall and Senior Center Bathroom Remodeling
- City Hall, Senior Center and Library Lighting Retrofit
- Asphalt Overlay on Hibbard Street SW (Front Ave - Third Ave)
- Asphalt Overlay on First Avenue SW (Hibbard St - Aden St)
- Asphalt Overlay on Second Avenue SW (Hibbard St - Aden St)
- Asphalt Overlay on Aden Street SW (Second Ave - Third Ave)
- Asphalt Overlay on Roake Avenue SE (100 & 200 block)
- Chip Seal on Walsh Avenue NE (Entire Length)
- Chip Seal on McCoy Street NE (Entire Length)
- Chip Seal on Little Avenue NE (Ramsey St - the end)
- Chip Seal Warren Street SW (Second St - Sixth St)
- Chip Seal on Third Avenue SW (Aden St - Dike Drive)
- Chip Seal on Aden Street SW (Third Ave - Fourth Ave)
- Asphalt Overlay on Michner Street SW (200 block)
- Asphalt Overlay on Kirby Avenue SE (300 & 400 block)
- Asphalt Overlay on Aden Street SW (Front Ave - Second Ave)

Projects completed during Jeff Skeie's term as a Castle Rock City Councilmember (2001- 2007):

- All of the Previously Listed Projects
- Roake Avenue SE Water Main Replacement Project Phase 1 and Phase 2 (Entire Length)
- Water Treatment Plant Backwash Pond Project
- C Street SE Stormwater Line Extension and Improvements
- North Street Stormwater Improvements Phase 1, Phase 2 and Phase 3
- Established Citywide Street Sweeping Program
- RV Dump Station Project
- Lions Pride Park Restroom Project
- Opened the High Banks for Recreational Day Use
- Wastewater Treatment Plant Rehabilitation from Design
- Asphalt Overlay on Kirby Avenue SE (Cowlitz St E - 200 block)
- Asphalt Overlay on Jackson Street NW (Front Ave - end of street)
- Asphalt Overlay on Larsen Lane SW (Huntington Ave S - 2100 block)
- Asphalt Overlay on Brierwood Court SE (Last 300 feet)
- Asphalt Overlay on Mallory Street NE (Kirby Ave - May Ave)
- Asphalt Overlay on Maple Street NE (Kirby Ave - Roake Ave)
- Asphalt Overlay on Kirby Avenue NE (Entire Length)
- Asphalt Overlay on Cedar Street NE (Entire Length)
- Sealer on Front Avenue NW (South of Jackson - Huntington Ave N)
- Sealer on First Avenue SW (A Street - C Street)

- Chip Seal on Second Avenue SW (A Street - Warren St)
- Sealer on Third Avenue SW (Cowlitz St - A Street)
- Chip Seal on Third Avenue SW (A Street - Aden St)
- Crack Seal and Asphalt Overlay on Fourth Avenue SW (A Street - Warren St)
- Sealer on B Street SW (Front Ave - Second Ave)
- Chip Seal on B Street SW (Second Ave - Fifth Ave)
- Chip Seal on C Street SW (Third Ave - Sixth Ave)
- Sealer on C Street SE (Huntington Ave S - Allen Ave SE)
- Chip Seal on D Street SW (Third Ave - Sixth Ave)
- Sealer on Hibbard Street SW (Front Ave - First Ave)
- Sealer and Crack Seal on Shintaffer Street NW (Front Ave - Leaming Ave)
- Sealer and Crack Seal on North Street NE (Pioneer Ave - Merrill Ave)
- Sealer on Northwood Court NE (All of Northwood Court)
- Chip Seal on Merrill Avenue NE (North St - Huntington Ave)
- Sealer and Crack Seal on Cowlitz Street W (Second Ave - Third Ave)

Projects completed during Ed Smith's term as a
Castle Rock City Councilmember (1996 - 2007):

- All of the Previously Listed Projects
- Cowlitz View Court Water Main Replacement Project
- B Street SW Water Main Replacement Project (Front Ave - Second Ave)
- First Avenue SW Water Main Replacement Project (A Street - B Street)
- D Street SW Water Main Replacement Project (Huntington Ave - Front Ave)
- C Street SW Water Main Replacement Project (Huntington Ave - Front Ave)
- Huntington Avenue S Water Main Extension Project ('The Rock')
- Spirit Lake Reservoir Rehabilitation (inside, outside and overflow design)
- Established the Cross Connection Program
- Established the Stormwater Management Fund
- Larsen Lane Riverbank Protection Project
- The First Park Plan
- Memory Lane Volunteer Park Project (Michner St)
- Coldwater Park Project
- Riverfront Trail Project from Design through Construction
- Hazardous Structure Removal from 'The Rock'
- Skate Park Project
- BMX Park Project
- Reconstruction of Huntington Avenue S (A Street - Front Ave S)
- Reconstruction of B Street SW (Huntington Ave - Front Ave)
- Reconstruction of C Street SW (Huntington Ave - Front Ave)
- Reconstruction of D Street SW (Huntington Ave - Front Ave)
- Asphalt Overlay on Mallory Street NE (Huntington Ave - Kirby Ave)
- Asphalt Overlay on Roake Avenue NE (Entire Length)
- Asphalt Overlay on Alder Street NE (Roake Ave - Kirby Ave)
- Reconstruction of First Avenue SW (A Street - C Street)

- Reconstruction of B Street SW (First St - Second St)
- Asphalt Overlay on C Street SE (Entire Length)
- Asphalt Overlay on Hibbard Street SW (10 Block)
- Asphalt Overlay on North Avenue NE (Entire Length)
- Reconstruction of Merrill Avenue NE (Entire Length)

Councilmember Smith stated that it has been a privilege to work with some of the best staff in the county. These dedicated employees truly work towards what is best for the citizens of Castle Rock.

1600 Councilmember Ed Smith and Police Chief Bob Heuer presented Sergeant Scott Neves with a 5 year plaque of recognition.

1635 Police Chief Heuer presented Councilmember Ed Smith with a plaque of appreciation for his years of service as the Police Department Committee Member.

1697 Councilmember Yund presented Police Chief Bob Heuer with a plaque of recognition for over 6 years of service to the citizens of Castle Rock.

1730 Mayor Larsen resumed the regular session at 8:15 p.m.

1775 Councilmember Julie Bean read a proclamation on behalf of Mayor Larsen proclaiming December 2007 Castle Rock Volunteer Recognition Month. The City is honored to pay tribute to our volunteers and encourage all citizens of Castle Rock to celebrate our tradition of volunteering.

Mayor Larsen stated that she is always proud that volunteerism within Castle Rock far surpasses that of the surrounding communities.

1875 City Attorney Tom O'Neill reports that the Homeland Security Mutual Aid Agreement will establish a regional plan between agencies for response to a disaster. A condition of this agreement is that, if requested by another signatory to this agreement, regional assets must be transported to that area.

In response to a question from Councilmember Smith, Vorse specified that the only City owned regional asset is the stationary generator at City Hall which was purchased with a Homeland Security Grant. This would be difficult to transport.

1977 Councilmember Yund made a motion, seconded by Smith to approve the Homeland Security Mutual Aid Agreement. By roll call vote, unanimous Aye.

2008 City Planner T.J. Keiran requests approval to initiate amendments to the Comprehensive Plan and Zoning Code in order to achieve compliance between development regulations and the Comprehensive Plan. The City updated the Comprehensive Plan in January, including the Future Land Use Map.

Unfortunately, the City did not concurrently update the Zoning Map, and so a situation of zoning non-compliance exists.

In certain circumstances zoning non-compliance issues may arise. For instance, consider a property located at the intersection of two arterial streets. The property has a Comprehensive Plan designation of C-1, Commercial, but is zoned R-1, Low Density Residential. The infrastructure is installed, the property is considered “market ready” for commercial development, and the City is counting on the property to generate future retail tax revenue. Unfortunately, if the property owner wishes to develop commercially, he/she cannot do so under R-1 zoning. Conversely, if a single family residential structure is constructed on the property, then the City has lost an opportunity to generate retail tax revenue and employment opportunities.

The following is a list of issues related to zoning non-compliance:

1. There is no zoning district equivalent with the *Heavy Commercial / Light Manufacturing* Comprehensive Plan Land Use Designation
2. There are currently one hundred twenty-one properties within the city where the zoning district conflicts with the Comprehensive Plan Land Use Designation
3. Rezoning may cause a property to become a “nonconforming use” regulated by CRMC 17.56.

The Planning Commission recognizes that the City should take all steps necessary to avoid causing potential adverse impacts to a property owner when achieving compliance and desires to include a public participation process that provides every opportunity for the property owner to be involved in the process.

The Planning Commission identified the following actions as possible steps to achieve compliance:

1. Amend the Comprehensive Plan Map
2. Amend the Zoning Map
3. Draft a new Zoning District to equate with the *Heavy Commercial / Light Manufacturing* Comprehensive Plan Land Use Designation
4. Update the uses within the Zoning Districts and
5. Update the Nonconforming Use section of the code

City Attorney Tom O’Neill encouraged councilmembers to follow the Planning Commission recommendations. Achieving compliance would eliminate the possibility of legal action arising from restricting property use due to conflicting land use designations.

In response to a question from Councilmember Skeie, Keiran specified that the Planning Commission would like to begin public workshop meetings in January

after notifying property owners that may be impacted. However, Keiran reports that Clerk-Treasurer Ryana Covington voiced concern that if the City provides notification above and beyond what is required, then that notification may create liability. Keiran will work with the City Attorney to establish a public participation program that would limit the City's liability while providing the best opportunity for public involvement.

In response to a question from Councilmember Skeie, Keiran clarified that the affected properties would be categorized into three designations: 1) No Potential Adverse Impact - such as property meeting both land use designations or a vacant lot which would be zoned as designated in the Comprehensive Plan 2) Minimum Potential Adverse Impact - under utilized property such as a large lot with one house or 3) Potential Adverse Impact - developed property with conflicting land use designations.

- 3025 Councilmember Smith made a motion, seconded by Skeie to initiate amendment proceedings for the Comprehensive Plan, the Comprehensive Plan Map, the Zoning Code, and the Zoning Map in accordance with CRMC 17.72.020 for the purpose of achieving compliance as required by RCW 35A.63.105.

During discussion: In response to questions from Councilmembers Yund and Smith, City Attorney Tom O'Neill specified that notification should be accomplished in compliance with statutory notice requirements. The Planning Commission can exceed those requirements if they choose, but must meet minimum requirements. Publication requirements were reviewed and councilmembers agreed that personal notification is not required.

In response to a question from Mike Mask, Councilmember Bean explained that the Planning Commission makes recommendations that City Council can approve or reject. The City Planner requests council direction on behalf of the Planning Commission.

In response to a question from Councilmember Yund, Councilmember Smith clarified that the Planning Commission can develop a notification plan and present that plan for approval at the next regular meeting. Councilmember Smith believes that even the best efforts at public notification will always fall short and someone will feel that they were not notified. Keiran reports that Covington recommended any proposed expanded notification be approved by the city attorney. Councilmember Skeie would like to proceed with the best effort possible to encourage public involvement.

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

- 3483 Public Works Director David Vorse reviewed proposed utility connection fee increases. The proposed connection fee would compensate for the increased cost of parts, labor and equipment for new services. The current connection fee was

established in 2000. Vorse also recommended an increase to the System Development Charge (SDC), but this would require research from the City Engineer. The SDC covers the expense for the system that provides service.

Councilmember Bean would like the SDC researched so that the entire utility hookup charge can be adjusted at the same time. In response to a question from Councilmember Bean, Vorse reports that it would cost approximately \$10,000 to \$15,000 to have the City Engineer research the SDC. This is not included in the 2008 Budget. He noted that an increase of the connection fee will contribute towards immediate expenses.

- 3811 Vorse reviewed a cost comparison for meters, labor and equipment. He recommended that the proposed hookup increases will directly reflect costs associated with installation of new service hookups.

By consensus, Councilmembers directed Vorse to have an ordinance available at the January 14th meeting to consider increasing water and sewer hookup fees.

- 3973 Vorse stated Cowlitz County has awarded the North County Recreation Association (NCRA) a grant in the amount of \$5,000 for development of ADA parking at the Sports Complex. NCRA is requesting that the city manage these funds, on behalf of their association. An amendment to the city's budget would be required, if approved by the city council. Councilmembers agreed by consensus to allow the funds to be managed by the city.

- 4062 Councilmembers discussed proposed locations for relocation of the recycling area. Councilmember Bean requested that Vorse contact Washington State DOT to ascertain if the recycling bins could be located at the Park and Ride lot.

Yund felt that the location of the bins is not as important as the management of the area. Vorse stated that Waste Control has advised that all of the recycling areas within the county have experiences with abuse.

Marcil stated he looked at the proposed site at Lion's Pride Park and he does not feel the location would be accessible for larger trucks due to the problem with the erosion and the condition of the lot. He recommended the bins be located at the Wastewater Treatment Plant. Councilmember Bean stated members of the Park Board also do not support siting the bins at the park.

In answer to Earl Queen's question, Vorse stated the city cannot dump anything into the eroded areas at Lion's Pride Park until environmental permits have been obtained. These permits will be applied for after the first of the year.

By consensus, Councilmembers directed Vorse to site the recycling bins at the Wastewater Treatment Plant.

- 4458 Mayor Larsen recognized Vorse for his volunteer work with flood recovery efforts in Vernonia, Oregon.
- 4472 Librarian Vicki Selander reports that the election results have been certified and the library excess levy has been approved.
- 4513 Councilmember Smith made a motion, seconded by Bean to approve the 2008 Salary Schedule. By roll call vote, unanimous 'Aye'.
- 4556 Councilmember Bean made a motion, seconded by Yund to cancel the December 24, 2007 council meeting. By roll call vote, Councilmember Skeie voted Nay, the remaining councilmembers voted Aye. Motion carried.
- 4585 Mayor Larsen adjourned the meeting at 9:10 p.m.

Mayor Barbara Larsen

Clerk-Treasurer