

CALL TO ORDER

Mayor Paul Helenberg called the November 13, 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: Ray Teter, Glenn Pingree, Earl Queen, Mike Davis and Ellen Rose.

PUBLIC HEARING

The mayor opened the public hearing at 7:34 p.m. to discuss General Fund revenue sources including possible increases in property tax revenues for the fiscal year ending December 31, 2013. As a result of the public testimony, city council may choose to take action on an ordinance authorizing a property tax increase as allowed by Referendum 47. Clerk-Treasurer Ryana Covington noted that copies of General Fund revenues and expenditures for 2011, 2012 and proposed 2013 fiscal years have been provided for public review. State law requires cities to adopt Ad Valorem taxes on an annual basis. These adopted rates establish the statutory limits for tax collection by the county treasurer's office for the next fiscal year. Covington outlined services that are provided by the General Fund. The two main revenue sources for the city come from property tax and sales/use tax collection. Projected operating revenues for fiscal year 2013 are estimated to be over \$70,000 less than in 2012. This decrease is mostly attributed to completion of the COPS grant, which provided \$65,068 in reimbursement toward support of one police officer position for this current fiscal year. Covington stated anticipated 2013 expenses include an 8.7% increase in liability insurance premiums, an 8% increase in Labor and Industry costs for law enforcement classifications and cost of living increases for law enforcement and public works bargaining contract employees. In addition, as a condition of the COPS Grant, the city is mandated to continue a one-year funding for one police officer position. The 2013 proposed budget does not include any cost of living increases for any administrative and non-bargaining positions. Members of the clerical collective bargaining unit have declined any cost of living increases for 2012 due to current economic conditions.

Each year, Cowlitz County Assessor's office provides the city with assessed valuation totals for our taxing district area. In 2012, the certified assessed value was \$128,005,353, with the projected 2013 assessed value declining to \$119,264,033. Based on State law, the highest lawful levy is \$349,079.32 for 2013. Adopting at the fullest extent would result in additional revenue of \$3,454.94, which is approximately .989% over 2012 assessment. Covington stated this increase is very minimal and does not even cover the increased expenses that were outlined above. Councilmember Davis voiced concern that voters just approved a sales/use tax increase to support a Transportation Benefit District and this increase in Ad Valorem assessment appears to be an additional increase. Mayor

Helenberg stated the property taxes are only for General Fund services. Covington noted the sales/use tax increase recently approved by voters could not be used to support General Fund services and must be used only for transportation projects denoted in the Transportation Benefit District's adopted capital plan. Councilmember Teter stated he also does not like to increase taxes; however 2013 fiscal year projected expenses are still \$137,000 over anticipated revenue sources. As a result of the deficit, the mayor will continue to work with staff to decrease 2013 expenses in an effort to balance the 2013 budget. Councilmember Davis stated he was concerned that the general public would only see this increase as an additional tax burden.

Covington noted that on November 8th, Cowlitz County Assessor's Office sent a memorandum to taxing districts advising that the final certified valuations could not be provided due to issues with the State's new computer system. They anticipate the information to be available by November 16th, and certified values would be provided at that time. Covington said that State law mandates that Ad Valorem taxes be adopted and notice provided to the county treasurer no later than November 30th. If final valuations are received prior to the next council meeting, the final percentage increase may be adjusted to meet State law limitations.

There being no further public testimony provided, Mayor Helenberg resumed regular session at 7:44 p.m.

DEPARTMENT REPORTS:

1. City Attorney - Due to Mr. Randolph's absence, Mayor Helenberg tabled discussion regarding the city attorney's review of the Heritage Bank Employer Agreement proposed at that last council meeting.
2. Police Department - Officer Jeff Gann reported that Chief Heuer and Sergeant Neves are currently attending a Washington Association of Chiefs and Sheriffs conference in Chelan, WA.
3. Public Works - Director Dave Vorse reported that it appears Proposition 1 submitted by the Castle Rock City Transportation Benefit District (CRTBD) is being approved by voters. The CRTBD will not need to schedule a meeting to adopt bylaws, adopt an interlocal agreement with the city and register with the State. Mayor Helenberg proposes scheduling a CRTBD meeting for November 26th at 6:30 p.m., prior to the next council meeting. CRTBD board includes the mayor and councilmembers. Councilmembers stated they would be able to attend.
4. Librarian Vicki Selander announced that the Friends of the Library Book Sale will be held this Thursday and Friday.

COUNCIL AND AD HOC COMMITTEE REPORTS

1. Mayor Helenberg reported that last Friday, he met with the Police Chief, Public Works Director and Clerk-Treasurer to discuss the proposed 2013 fiscal year budget. They narrowed the budget gap from over \$200,000 to \$130,000. Helenberg stated they have already cut expenses to the street operations and increased some revenue projections. A follow-up meeting is scheduled for November 17th. At that meeting, Chief Heuer will provide information on the city's ability to use the criminal justice and local criminal justice funds to fund one of the police officer positions. The goal is at that meeting is to balance the 2013 General Fund budget.

This morning the mayor met with Vorse and Covington to discuss utility needs for fiscal year 2013. Additional work will be required to obtain balanced budgets for those funds. It is his intent to try to avoid the need for large rate increases to support those services.

Preliminary budgets for fiscal year 2013 will be available to the public as of tomorrow. In answer to Councilmember Pingree's question, Helenberg stated by the next council meeting, he intends to propose a balanced budget for council review. Councilmember Queen stated councilmembers will need to have information provided to them prior to the November 26th meeting in order to be able to take action on the proposed budget. Mayor Helenberg does not anticipate council taking action to adopt the budget on the 26th. In answer to the mayor's question, Covington stated she has advertised for a public hearing to be held on November 26th to discuss the 2013 fiscal year budget. Usually council takes action on an adopting ordinance at that meeting. However, by State law budgets must be fully adopted no later than December 31st.

2. Mayor Helenberg attended the Patriotic Concert at the High School and praised the students for a good program.

3. Today Bonneville Power Association met with the mayor, city clerk and public works director regarding their preferred route for a new 500 kw service line. The mayor stated BPA has not made any effort to change their route despite numerous requests by the city for BPA to avoid the city urban growth area. Mayor Helenberg stated the proposed route hinders any further development north of the city. Councilmembers suggested contacting our federal representatives to assist with this issue.

4. Mayor Helenberg stated the city has received a response from Municipal Research and Service Center advising that the city could not offer free lifetime boat launch passes to volunteers in consideration of time and/or materials provided for past services. If the city had established such a policy prior to the development of the boat launch facility, then it would have been permitted. Offering the lifetime pass for volunteer services already provided is considered a gift of public funds. Mayor Helenberg stated this needs to be taken into consideration on other future large projects that depend on volunteer services.

5. Councilmember Davis requested consideration to establish a four-way stop at the intersection of C Street SE and Roake Avenue. He noted that during school hours, this intersection is very busy. Vorse stated the city's Safe Routes To School grant project will provide better signage and lighting at that intersection. In addition, a sign denoting the motorist's speed will be located at that intersection. He requested councilmembers defer taking action on further changes to this intersection until after the project has been completed. If there still is a problem, council could request further review by the city engineer. Councilmembers stated this has been an ongoing problem. Vorse added that the school superintendent is aware of the issue, however logistical issues exist that require the school to continue to use this route.

6. Student representatives Mikayla Risner announced that the High School girl's volleyball team just won the State Championship. Councilmember Pingree suggested that the council prepare a declaration in honor of the award.

CONSENT AGENDA

1. Councilmember Queen made a motion, seconded by Rose to approve the minutes of the October 22, 2012 Council Meeting. By roll call vote, unanimous Aye.

2. Councilmembers reviewed the Fund Transaction Summary for November invoices in the amount of \$657,398.85 which included check numbers 43076 through 43188 for general expenses, check numbers 23206 through 23255 for payroll expenses, adjustment number 253, and EFTP payroll 10/31/2012. Councilmember Teter reviewed all expenditure requests prior to the meeting. Mayor Helenberg stated the amount is large because of the boat launch project expenditures and also utility loan payments. Councilmember Rose made a motion, seconded by Teter to approve October invoices as presented. By roll call vote unanimous 'Aye'.

OLD BUSINESS:

1. Mayor Helenberg stated the second reading for Ordinance No. 2012-05 relating to a street vacation application submitted by Gabe Gourde will be tabled until Mr. Gourde is ready to have the issue addressed by council.

NEW BUSINESS:

1. The City has received Federal Highway Administration Transportation funding, with a portion to be used for the Castle Rock Lions Club Memorial City Park. This funding requires that a Section 4(f) evaluation is completed to assure preservation of the natural beauty of the countryside, public parks and recreation land, wildlife and waterfowl, refuges and historic sites and to determine whether or not the potential impacts of the project are de minimus. Vorse distributed a diagram of the amended northbound intersection at Barr/Huntington Avenue, which adds six additional parking spaces to serve the park. At

the southeast corner of this intersection, the project bisects a corner of the existing park. However the provision of additional paved parking areas will provide a greater benefit to users of this park therefore impacts are de minimus. If councilmembers concur there is no detrimental impact to the park, Vorse asked that they take action to authorize the use of the portion of the park for the Front Avenue reconstruction project. In response to a comment from Councilmember Rose, Vorse stated the proposed intersection improvement will level the two road grades, which will provide safer visibility for motorists and pedestrians. There was no comment offered from the public. Councilmember Pingree made a motion, seconded by Teter to allow the mayor to authorize the use of a portion of the Castle Rock Lions Club Memorial City Park for the Front Avenue reconstruction project. By roll call vote, unanimous 'Aye'.

2. Councilmember Teter made a motion, seconded by Queen to approve Ordinance No. 2012-06, an ordinance adopting the Ad Valorem taxes for fiscal year ending December 31, 2013, on first reading. By roll call vote unanimous 'Aye'.

3. Councilmember Teter made a motion, seconded by Davis to approve Ordinance No. 2012-07, an ordinance amending the budgets for the Water/Sewer Fund and Municipal Water Capital Reserve Fund to reflect costs for the C Street water main project, on first reading. The C Street water main replacement project was approved by City Council at the May 14, 2012 regular meeting. By roll call vote, unanimous 'Aye'.

4. The Festival of Lights Committee requested approval to close Cowlitz Street West, between First Avenue and Second Avenue for the festival activities scheduled for December 8th. Councilmember Pingree made a motion, seconded by Queen to approve the requested street closure. By roll call vote, unanimous 'Aye'.

EXECUTIVE SESSION

Mayor Helenberg adjourned regular session at 8:30 p.m. for a five-minute executive session to discuss personnel, with possible action to follow.

Mayor Helenberg reconvened regular session at 8:35 p.m.

Mayor Helenberg announced that City Councilmembers have authorized him to freeze all General Fund department expenditures and no overtime will be allowed without prior authorization from the mayor. This will be in effect until the end of this fiscal year. Currently if expenses continue at the current rate, the General Fund will be overspent by approximately \$50,000 to \$60,000. The city cannot afford to allow further losses to their fund balance. If losses continue, the city's ability to obtain grants will be diminished. Currently the police department has expended 86% of their appropriated budget and will be overspent by year end if expenses continue. Officer Jeff Gann expressed concern that the police department would not be able to operate without overtime expenditures. He

cited the need for overtime to cover vacations and court time for officers. Mayor Helenberg stated he briefly discussed this with the chief last week.

ADJOURNMENT

There being no further business the meeting was adjourned at 8:45 p.m.

Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington