

CALL TO ORDER:

Mayor Paul Helenberg called the February 10, 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:

None

DEPARTMENT REPORTS:**Public Works Director David Vorse**

1. Nancy Chennault distributed a development and planting plan for improvements of the Jackson Street storm drainage area. Vorse stated this area is the drainage hole located adjacent to Cascade Select Market parking lot and Jackson Street. Improvements would include collaborative efforts between Castle Rock High School students and staff, AmeriCorp volunteers, Castle Rock America In Bloom teams and city personnel. Chennault stated enhancements would include creating a natural wildlife habitat that would be used as an educational area for research and classroom projects. She noted the existing willow tree is now a hazard and will need to be removed. Two existing bioswales will be used to incorporate plants and wildlife into an urban wetland setting.

Vorse and Chennault noted the High School and AmeriCorps already have set aside dates to work on this project. In addition, AmeriCorp volunteers will be working with the local youth to develop drawings depicting animals and plants that could live in this habitat. These drawings will be placed around the bioswale area as an educational aspect.

2. Mayor Helenberg announced that last week, Alan Kruse resigned from the city. Mr. Kruse had worked for the city for 29 years and will be missed. With the layoffs that occurred this year, Public Works now has three less employees, which may affect some projects initially planned for this fiscal year.

Council and Ad Hoc Committee Reports -**Haley Holborn, Student Representative:**

1. Reported that first semester has just been completed and the Castle Rock High School Winter Ball was a success.

Nancy Chennault, CEDC representative

1. Reported the Cowlitz Economic Development Council annual meeting will be held February 24th. She encouraged councilmembers to attend this function for information on upcoming economic development trends and opportunities

2. Chennault invited councilmembers to the upcoming Castle Rock Community Development Alliance annual meeting scheduled for March 3rd in the Castle Rock Senior Center. Discussion will include a celebration of completed projects and discussion regarding future endeavors.
3. Baskets for the American In Bloom project will be planted tomorrow. Recent weather conditions created a slight delay.

Clerk-Treasurer Ryana Covington

1. Distributed the Cash And Investment Report for December 2013. The negative balance in the Street Fund was resolved through an interfund loan approved by city council. In addition, adjustments are pending on funds associated with the Cowlitz Street and Front Avenue reconstruction projects. (Street, Arterial Street, and several of the utility funds) Covington stated Vorse and the city engineer have evaluated change order impacts on engineering costs for those projects and will be re-allocating some of the costs between the street construction and utility improvement portions of those projects. Ending fund balances for funds affected by the pending adjustments will be provided to city council once they are closed.

CONSENT AGENDA:

1. Councilmember Queen made a motion, seconded by Rose to approve the January 27, 2014 minutes, as presented. By roll call vote, unanimous 'Aye'.
2. Covington noted that Councilmember Teter reviewed expenditures for January 2014 as presented in the Fund Transaction Summary report.

Councilmember Queen made a motion, seconded by Teter to approve the January 2014 expenses in the amount of \$306,885.43 and further described as check numbers 44549 through 44647 for general expenditures and check numbers 23982 through 24019 for payroll expenses, and adjustment numbers 320-1/14 and EFT Payroll 1/31/14. By roll call vote, unanimous 'Aye'.

OLD BUSINESS:

1. Councilmember Kessler provided an update on the condition of the police department vehicle fleet. He noted councilmembers are aware of recent issues with the vehicles and voiced concern that one vehicle is on the edge of safe mileage. Kessler stated he has been working with Chief Heuer and Officer Worley to develop a recommendation to the city council to resolve these issues. Kessler noted that at the end of 2013, the police department had not expended approximately \$15,000 of funds allocated for that department. He recommended city council carry over those funds into the 2014 police department allocation, which would resolve the vehicle issue. In addition, city council had considered a budgetary amendment in the amount of \$10,000 originally requested

at year end by Chief Heuer to offset an anticipated budget shortfall within the police department for 2013 (proposed Ordinance No. 2013-15). Kessler suggested city council allocate the \$10,000 intended for the 2013 budgetary amendment to the 2014 police department budget allocation to be used for salaries. This would avoid the need to use any of the 1/10th of 1% sales tax funds and allow the police department to bank those funds this year for vehicle replacement. This would also allow the police department to purchase equipment needs that have been deferred. Some of the training equipment could reduce training costs. Kessler added that Officer McNew has been investigating options relating to firearm training which could reduce those costs. Councilmember Kessler recommended councilmembers quash adoption of Ordinance No. 2013-15 (2013 budgetary amendment; amount of \$10,000) and instead introduce a budgetary amendment for \$15,000 and for \$10,000 to free up funds to be used for salaries and vehicles. Mayor Helenberg clarified that Councilmember Kessler is proposing a \$25,000 budgetary amendment for the police department; which would reduce the General Fund beginning balance to approximately \$280,000. The mayor voiced concern over the amount of this proposal; especially since the public works department is now down by three employees. Mayor Helenberg suggested instead an additional allocation of \$16,000 toward the purchase of a new police vehicle.

In answer to Councilmember Kessler's question, Covington stated that \$213,000 was budgeted for a General Fund balance in 2014 fiscal year. Councilmember Kessler stated that some of the training solutions that he is looking at will help to reduce liabilities.

Mayor Helenberg noted that budget allocations are up to the city council and he still feels there are areas of expense, such as overtime, that could be evaluated.

In answer to Councilmember Rose's question, Councilmember Kessler stated the original purpose for the voter approved 1/10th of 1% sales tax funds was to purchase items, such as vehicles; not to supplant regular expenses. The city was able to use those funds last year for salaries to support Officer Gann's position for one additional year as a condition of the COPS grant. This was considered a new expense. Training, vehicles and equipment are allowable expenses for these funds.

Councilmember Rose suggested the city could do a \$16,000 budgetary amendment at this time to purchase a new vehicle; then re-evaluate needs later in the year. Councilmember Kessler explained that firearm qualification and training is a high priority for a city to reduce liabilities. He added that Officer McNew has been working to obtain equipment that can be used for firearm training. Instead of training on live fire; officers could train using simunition. Councilmember Kessler stated by using the \$25,000 to free up salary expenses originally budgeted from the Local Criminal Justice Funds; those amounts could now be used for training costs and resolve issues with

vehicles. He added that equipment needs include replacement of portable radios (at \$500 - \$800 each). In addition, it would allow additional funding for ammunition needs.

Councilmember Rose asked why the police department does not have a vehicle replacement fund; similar to the one used for public works. Councilmember Kessler stated there is a fund created for this purpose; however no funds have been allocated to this fund in many years. Vehicle purchases have been budgeted through the Local Criminal Justice Fund. Covington added, when the Police Vehicle Replacement Fund was initially formed; the funding source originated from the General Fund and the amount of the annual allocation was directly dependent on economic conditions. She stated the Local Criminal Justice Fund (1/10th of 1% sales tax) creates a more reliable funding source.

By consensus, councilmembers requested an ordinance be presented at the next city council meeting for consideration of a \$25,000 budgetary amendment for the police department for the 2014 fiscal year.

2. Councilmember Kessler made a motion, seconded by Teter to take Ordinance No. 2013-15 off the table for further council consideration. By roll call vote; unanimous 'Aye'.
3. Councilmember Rose made a motion, seconded by Davis to adopt Ordinance No. 2013-15, on second ready. By roll call vote unanimous 'Nay'. Motion to adopt ordinance failed on second reading.
4. Vorse reported the Regional Utility Board met on February 4, 2014 to consider the county's request for an adjustment due to a large leak from one of the county's residential customers. Vorse stated after discussion with the board, Cowlitz County decided to withdraw their leak adjustment request. The Regional Utility Board felt it should be up to Cowlitz County and to the city to determine how to manage their individual utility customers. The board did agree that a leak adjustment policy should be developed for their two customers (Cowlitz County and the City of Castle Rock) to cover losses due to catastrophes. Vorse will be working with county representatives on such a policy for consideration by the Regional Utility Board later this year.
5. City Attorney Frank Randolph provided an overview of the Interlocal Agreement Cowlitz Regional Tourism Development Partnership Program (referred to as the Big Idea). In the initial agreement, participating entities pooled their lodging tax funds and sent contributions to the county. A Regional Tourism board comprised of representatives from the participating entities would then decide the use for those funds. Last year, the State Auditor advised cities that they questioned the process of deciding the use for

these pooled funds. Randolph stated city councils cannot delegate away authority and current State law relating to lodging tax proceeds tasks city councils with this decision. Mr. Randolph stated that he has been working in conjunction with Cowlitz County Civil Attorney Doug Jenson to amend the interlocal agreement to allow the Big Idea concept to continue. The concept allows each of the participating entities to pool funds. Over the term of the agreement participating entities will rotate each year to receive the proceeds of the pooled funds to promote tourism within their community. The proposed amended Interlocal agreement will require the Regional Tourism Board to send out their recommendation for use of the funds, and then each cities and Cowlitz County participating in the interlocal agreement formally vote to support the recommendation. If jurisdictions agree to projects and continue with their participation in the Big Idea; the interlocal agreement can continue. If not, then the Big Idea will cease. Randolph stated he has discussed the proposed amendments with the State Auditor and they did not have any issues provided that final decision for use of the funds is made by the city councils. In addition, the funds are no longer pooled; instead participating entities will send their contributions directly to the entity. Councilmember Rose stated she supports the proposed amended agreement. Councilmember Davis voiced concern, that as new people are voted onto city councils, entities that have already benefitted will choose not to participate; leaving the remaining jurisdictions at a loss. Mayor Helenberg stated he believes the term of the agreement is only for an additional three years; and Castle Rock is slated to receive the funds in 2014. Covington noted that when the county returned the pooled contributions to each of the cities, there was an expectation for those cities to forward contributions to the cities of Kalama and Woodland for projects that were already approved and completed. Castle Rock city council will need to determine if those projects meet legal requirements for use of lodging tax funds.

By consensus, city councilmembers agreed with the proposed amendments to the Interlocal Agreement Cowlitz Regional Tourism Development Partnership Program (referred to as the Big Idea) as presented. Randolph stated each entity will need to review and sign the amended agreement.

6. Associate City Attorney Nicole Tideman presented a proposed Memorandum of Understanding between the city and Teamsters Local Union No. 58 pertaining to the issuance of draw checks as an option for salaried employees. This understanding memorializes the agreement that the city will continue to offer the option of draw checks, and the city will withhold all required state and federal taxes from the draw payment. She noted the agreement also allows the city to reserve the right to cancel the draw check option if the city determines this payment is against any federal, state or local statute or regulation.

Councilmember Davis made a motion, seconded by Rose to approve the Memorandum

of Understanding as presented. By roll call vote, unanimous 'Aye'.

NEW BUSINESS:

1. Covington requested council consideration for the following leak adjustment requests:
Jay Trinklein, Thompson Court NE; amount of \$278.00
First Baptist Church, Front Avenue NW; amount of \$138.62 (September 2013 billing)
First Baptist Church, Front Avenue NW; amount of \$225,02 (December 2013/January 2014 billing)
Pam Brokaw; C Street SW; amount of \$138.62 (October 2013 billing)

Covington noted that her administrative authority as established in CRMC 13.06.120 is limited to \$100 for leak adjustment requests. Amounts exceeding this authority must have city council approval before any adjustment is made.

Covington noted that all leaks have been repaired and approved by the Public Works Director as meeting the qualifications allowed for leak adjustments. Covington noted the First Baptist Church had two leak issues in 2013, with the second leak impacting both the December 2013 and January 2014 billing cycles.

By consensus, councilmembers directed the clerk to prepare an amendment to the municipal code to increase the administrative authority from \$100 to \$300.

Councilmember Kessler noted that documentation filed by the First Baptist Church on November 5, 2013 claimed the leak in September 2013 was caused by contractor working on the Front Avenue construction project during installation of a new sidewalk. He asked why the contractor is not being held responsible for this loss.

Dave Vorse, member of the Castle Rock First Baptist Church requested to address the city council on behalf of the church. Vorse stated in August the city's contractor pulled up a galvanized pipe which affected the water line for the church. The church found out about the leak in September. In exchange for not having to tear up the new sidewalk to repair the leak, the city's contractor provided the church with supplies to make the repair. He noted the church will be filing a tort claim with the city for losses due to the higher utility bill for that billing period. Vorse noted that city code limits leak adjustments to only two within a twelve month period; however he does not feel the church should be penalized when the leak was caused by the city's contractor.

Vorse stated the second leak incurred by the church was a result of faulty plumbing fixture that was purchased locally.

City Engineer Mike Johnson stated the church has the option to file a claim against the contractor. Councilmember Kessler stated he has some issues with the city's leak

adjustment policy being too restrictive. He feels this places a burden on those who most cannot afford losses. Covington offered to provide Councilmember Kessler with background information on leak adjustment issues and losses and the reason councilmembers decided to develop qualifications for those adjustments.

Councilmember Teter felt if the initial leak at the church was caused by the contractor, the city council has the option to allow an adjustment for the value of the full loss. Vorse stated the church has paid for that billing in full, and has made a partial payment toward the second high billing.

Councilmember Teter made a motion, seconded by Davis to approve the following leak adjustment requests; Jay Trinklein, Thompson Court NE; amount of \$278.00, First Baptist Church, Front Avenue NW; amount of \$225.02 (December 2013/January 2014 billing) and Pam Brokaw; C Street SW; amount of \$138.62 (October 2013 billing). By roll call vote, unanimous 'Aye'. Motion carried.

Councilmembers did not approve the leak adjustment requested by First Baptist Church, Front Avenue NW in the amount of \$138.62 (September 2013 billing); leak appears to have been caused by city contracted forces.

2. Engineer Mike Johnson requested council approval of Change Order #1 for the Huntington Avenue North Sidewalk Improvement Project for contractor KBH Construction Company. Additional excavation was required to install improvement on the site, which increased the quantity bid from 100 cubic yards to 200 cubic yards. The contractor agrees to reduce his unit price from \$80/cubic yard to \$40/cubic yard for the quantity over 125% of the bid quantity; resulting in a \$3,000 increase. If approved, the new contracted amount (excluding tax) would be \$153,822.

Councilmember Davis made a motion, seconded by Queen to approve Change Order #1 as described. By roll call vote, unanimous 'Aye'. Motion carried.

3. Covington requested council approval of Progress Estimate #3 submitted by the KBH Construction for work performed during the period December 20, 2013 through January 25, 2014 in the amount of \$6,537.75. Covington stated this progress estimate was not included in the January invoices because the amount was contingent upon approval of Change Order #1.

Councilmember Queen made a motion, seconded by Davis to approve payment of progress estimate #3 for KBH Construction in the amount of \$6537.75. By roll call vote, unanimous 'Aye' Motion passed.

ADJOURNMENT:

There being no further business, Mayor Paul Helenberg adjourned the regular meeting at 8:32 p.m.

Mayor Paul Helenberg

Clerk-Treasurer Ryana Covington