

- 0006 Mayor Larsen called the Regular Meeting of the Castle Rock City Council to order at 7:35 p.m., followed by the Pledge of Allegiance. The following councilmembers were present: Khembar Yund, Greg Marcil, Julie Bean, Ed Smith and Jeff Skeie.
- 0050 Councilmember Bean made a motion, seconded by Skeie to approve the minutes of the November 14, 2005 Regular Council meeting. By roll call vote, Yund abstained, the rest 'Aye', motion passed.
- 0084 Mayor Larsen closed the regular meeting and opened the public hearing to take testimony on the final budget for 2006. Clerk-Treasurer Ryana Covington provided a summary the 2006 budget.

Personnel

2% COLA increase for all non-bargaining personnel. The bargaining contract for public works personnel has not been settled. Also included is an estimated 15% increase for medical coverage.

The position of Building Official has been budgeted as a part-time position.

Annexation Impacts

Per RCW, the boundaries of the annexation were not established in time to permit levy of taxes by Fire District #6. The Interlocal Agreement signed between Fire Protection District #6 and the city requires the city to levy the entire amount and then reimburse the District for the amount of taxes they could have levied. The Fire Department budget reflects the amount available to the District.

All assets in the Ambulance Fund will be turned over to the Fire District. However there will be a certain period, until the transfer is complete, during which the pre-existing ambulance service payments will be sent to the city. These payments will be reimbursed to the District, when received. The Ambulance Fund reflects this transfer.

Municipal Court Department

Jail costs have been added to the department's expenses. In 2005, the jail costs were tracked in the Police Department budget. Due to an increase in rates, jail costs have been increased an additional \$6350 over 2005 appropriations.

Police Department

Capital expenses include:

- Rifle (\$700), computer system (\$975)
- MDT laptop replacement (\$485)
- Two computers for paperless citations (\$775)

In addition, fuel appropriations were increased to \$18,000
The department will also purchase a portable generator (\$10,000) which will be funded by a Homeland Security Grant

Park Department

This fund supports maintenance on Coldwater Park, North Huntington point, and 'The Rock'. Capital expenses include a hand mower (\$350) and publication of additional park brochures (\$500)

Non-Departmental

Expenses include planning services, building maintenance for City Hall, election services, Civil Service costs, intergovernmental costs (revenue collected for other governmental agencies), animal control services, economic development, emergency management, audit costs and interfund transfers.

Budgeted items include:

- State Audit costs (\$16,000) to comply with federal requirements resulting from receipt of over \$500,000 in federal grants during fiscal year 2005
- Repair of restrooms and painting the exterior of City Hall building (\$4500)
- A \$10,000 increase in medical insurance coverage for LEOFF I police retirees
- Funding for a new VISTA* volunteer (\$8000) to assist with implementation of the city's business feasibility and marketing plan
- Replacement of three workstations (\$6166 total cost) including installation. The cost is shared between the Water and Sewer Funds
- Dues for Cowlitz Economic Development Council (\$1500)

The following projects were noted as high priority, however **were not included** in the 2006 proposed budget. If funding becomes available for these projects, a budgetary amendment would be required:

- \$5300 to reprint, update and provide online access to the city's municipal codes.
- \$12,000 to create a wireless, paperless system for council meetings
- \$30,000 to \$50,000 to relocate and remodel the police department offices
- \$15,000 to \$25,000 to replace the city's 15-year old phone system

Street Fund

\$10,000 to fund an overlay project. The street will be determined at a later date.

Arterial Street Fund

The city submitted two separate grants. The City just received notification that they were awarded a \$100,000 Transportation Improvement Board grant for sidewalk improvements on Front Avenue NW. The proposed budget has been amended to amendment from the last meeting to reflect this grant.

\$20,000 for alley and parking improvements. Alley is located behind the Exhibit

Hall, between Cowlitz Street West and Jackson Street.

DOT Spoil Site

Includes funding for completion of grant funded projects:

- Riverfront Trail bridge to be installed over Whittle Creek
- Design and permitting for a boat ramp
- Completion of utility work for the Sports Complex.
- Extension of the paved trail on the east side of the Cowlitz River to Huntington Avenue. A grant in the amount of \$168,740 has been submitted to fund this project.
- An additional \$75,000 grant has been submitted to Department of Transportation for funding Phase I to provide a pedestrian bridge across the Cowlitz River.

Public Works Vehicle Replacement Fund

\$40,000 for purchase of two 3/4 ton pickup trucks. This would replace the two oldest trucks that the city purchased, as used, from the City of Longview.

Water-Sewer Operating Fund

Utility Rates: No increase in rates are proposed for 2006. However, the bargaining contract for public works employees is unresolved and rates may need to be re-evaluated

Capital projects in the Water Fund include:

- \$12,000 computerized meter reading system.
- \$800 for a shop air compressor
- \$875 for a 5,000 watt portable generator
- \$375 for purchase of a drill press
- \$13,500 replacement of the water main, 300 block of C Street SW.
- \$5000 to clean and inspect Bond Road reservoir

Capital projects in the Sewer Fund:

\$144,000 for replacement of the main trunk line which includes Hibbard Street SW from Second Avenue to Front Avenue SW. This project is funded by a low-interest loan.

Regional Water Fund

- \$5000 to lower the water main at Powell/Buland Drive. This project will be completed only if Cowlitz County proceeds with their road project in that same area.
- \$5000 to clean and inspect Spirit Lake Reservoir

Regional Sewer Fund

- \$450,000 for main trunk line replacement. This is funded by a low interest loan.
- \$5000 to develop a site for biosolid land application. Development of a site

will eliminate the cost to truck the biosolids out of the area.

Stormwater Management Fund

- \$30,000 to complete Phase 3 of the stormwater upgrade in the area of Balcer Street.
- \$5000 for acquisition of a pipe laying laser.

Regional Water Capital Improvement Fund

- \$50,000 to replace the backwash pump.
- \$15,000 to install a streaming current monitor

- 0700 Covington reports that funds are balanced and expressed appreciation for council efforts in attending numerous Budget Workshop meetings.
- 0745 There being no further discussion or public input, Mayor Larsen closed the Public Hearing at 7:45 p.m. and opened the Public Hearing to take testimony on amending the Regional Sewer and Sewer Loan Reserve Funds for 2005 and the creation of a new fund entitled 'Sewer Replacement Reserve Fund'.
- 0766 Covington stated that in 1998 the City of Castle Rock received a \$150,000 loan from Washington State Department of Ecology (DOE) Water Quality Program. In 2003 this loan was increased to \$170,915. The conditions of this loan require that balances remaining after five years must develop a reserve fund, based on a percentage of the average annual debt. Also an emergency repair and replacement reserve fund must be developed equivalent to one-half of the average annual debt. The City must put \$9,407.31 into the loan reserve fund and \$4,703.66 into the replacement reserve fund in 2005 which will be done through a transfer of funds. Subsequent transfers are included in the proposed 2006 budget. Covington stated the option of paying off this loan was discussed during Budget Workshop Meetings, but until the loan is paid, these reserve fund transfers must be made.
- 0858 There being no further discussion or public input, Mayor Larsen closed the Public Hearing to take testimony on amending the Regional Sewer and Sewer Loan Reserve Funds at 7:47 p.m. and opened the Public Hearing to take testimony on the 'Draft' 2005 Castle Rock Comprehensive Plan.

Erin Erdman, City Planner, explained that in August the Planning Commission began work to update the 1986 Comprehensive Plan. Aspects of this plan were taken from the Community Action Plan, Business Feasibility and Marketing Plan, the Park Plan and public input. Ms Erdman summarized proposed sections of the plan as follows:

The Land Use section designates Exit 48 for commercial or industrial development. She stated that the land use within the Urban Growth Boundary is sufficient for residential and commercial projected growth until 2020.

The Housing section reveals that the City is in need of more affordable housing options; single family homes near the downtown area and also assisted and subsidized living homes.

The Transportation section indicates that the City could use additional public transit, especially to the Longview/Kelso area.

The Capital Facilities section noted that the capacity of the Wastewater Treatment Plant should be sufficient until 2020.

The Economic Development section considers employment and growth opportunities within the City. The areas designated for growth prospects are Exits 48 and 49, Four Corners and the downtown area.

- 1175 In response to a question from Councilmember Smith, Erdman explained that the Comprehensive Plan does not make any zone changes, however the plan serves as guidelines for future developers and can be amended by council.

Councilmember Smith complimented the Planning Commission on a job well done.

- 1285 There being no further discussion, Mayor Larsen closed the Public Hearing on the 'Draft' 2005 Castle Rock Comprehensive Plan at 7:55 p.m. to resume the Regular Council meeting.

- 1297 Fire Chief Eric Koreis requests approval of two interlocal agreements between the City and Fire District #6. One agreement is to share computer networks, telephones, frame relay and storage and the other agreement is to provide ambulance services under the city's licensing until Fire District #6 receives State licensing. Koreis stated both agreements have been reviewed by City Attorney Tom O'Neill.

- 1321 Councilmember Smith made a motion, seconded by Skeie to approve the interlocal agreement with Fire District #6 to share computer networks, telephones, frame relay and storage. By roll call vote, unanimous 'Aye'.

- 1369 Councilmember Skeie made a motion, seconded by Bean to approve the interlocal agreement to cooperatively provide ambulance services through the city's licensing, until Fire Protection District #6 receives licensing. By roll call vote, unanimous 'Aye'.

- 1389 In response to a question from Councilmember Smith, Koreis reports that new accounts have been set up for all Fire Department utilities.

- 1631 City Attorney Tom O'Neill reports that he has reviewed the Interagency Mutual Response Agreement and no changes are recommended.
- 1665 Councilmember Bean made a motion, seconded by Smith to approve the Interagency Mutual Response Agreement. By roll call vote, unanimous 'Aye'.
- 1677 Public Works Director David Vorse reviewed the three grant applications that were submitted to Washington State Transportation Improvement Board (TIB). Those applications were for Cowlitz Street West Reconstruction, Front Avenue North Improvements and Front Avenue North Sidewalk Improvements. The Cowlitz Street West Reconstruction and Front Avenue North Improvements did not score well in the evaluation process and were not funded.

However, the City was awarded \$100,000 for Front Avenue North Sidewalk Improvements. This grant will be used to install a sidewalk on the eastside of Front Avenue North, to the Huntington Avenue North intersection. The City's match for this project is \$20,000. Vorse is researching to ascertain if the city needs to also request SOQ's for engineering services to complete the project.

Vorse stated that the low scores from TIB for funding of street improvement projects are due to the lack of accidents and the concealment of street cracks when overlaying was done.

- 1973 Clerk-Treasurer Ryana Covington stated that an ordinance to adopt the 2005 Castle Rock Comprehensive Plan will be prepared for the next Regular Council Meeting.
- 2034 Covington reports that the City received a Loss Control Rating of "A" this year from the Association of Washington Cities. An "A" rating qualifies the city to have a 'zero deductible' requirement for any claims.
- 2095 Librarian Vicki Selander stated that the library will be participating in the Downtown Christmas Decorating Contest sponsored by the Chamber of Commerce.

Report of Meetings

- 2145 Mayor Larsen has attended two Community Action Plan meetings and a Health Board meeting.
- 2177 Councilmember Smith made a motion, seconded by Yund to approve Ordinance 2005-12 fixing the estimated amount to be raised by Ad Valorem taxes and assessed in 2006, on second reading. By roll call vote, unanimous 'Aye'.
- 2203 Councilmember Skeie made a motion, seconded by Marcil to approve Resolution 2005-15 pursuant to Section 209 of Referendum Number 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 2005, on second reading. By roll call vote, unanimous 'Aye'.

- 2233 Councilmember Smith made a motion, seconded by Marcil to approve Ordinance 2005-13 adopting the budget for the City of Castle Rock, fiscal year ending December 31, 2006, on second reading.

During discussion: Clerk-Treasurer Ryana Covington reports that this ordinance, which was adopted on first reading, was amended to include the \$100,000 TIB grant for Arterial Streets. The total amended budget will be \$6,748,306.

- 2297 Councilmember Smith made a motion, seconded by Yund to amend the 2006 budget to include the \$100,000 TIB grant for Arterial Streets. By roll call vote, unanimous 'Aye'.

- 2322 Councilmember Smith made a motion, seconded by Marcil to approve Ordinance 2005-13 adopting the budget for the City of Castle Rock, fiscal year ending December 31, 2006, as amended, for a budget total of \$6,748,306, on second reading. By roll call vote, unanimous 'Aye'.

- 2350 Councilmember Marcil made a motion, seconded by Bean to approve Ordinance 2005-14 establishing a Sewer Replacement Reserve Fund, on first reading.

During discussion: In response to a question from Councilmember Yund, Covington clarified that this fund would not require a rate increase and further transfers are included in the 2006 Budget.

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

- 2375 Councilmember Bean made a motion, seconded by Smith to approve Ordinance 2005-15 amending the Regional Sewer Fund and Sewer Loan Reserve Fund, on first reading.

During discussion: In response to a question from Councilmember Skeie, Covington clarified that Ordinance 2005-14 is establishing a Sewer Reserve Fund and Ordinance 2005-15 is transferring \$14,110.97 from the Regional Sewer Fund into the Sewer Loan Reserve Fund to meet loan requirements.

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

Side B

- 2450 Mayor Larsen reviewed the Cowlitz County Health Department Pandemic Influenza Planning Report. Dr. Fields is available to address council on this plan, if requested.

- 2650 Public Works Director David Vorse requests a utility leak adjustment for the Wastewater Treatment Plant. He explained that a dead-end water line was broken during construction.
- 2773 Councilmember Smith made a motion, seconded by Yund to approve a utility adjustment in the amount of \$338.09 for the Wastewater Treatment Plant. By roll call vote, unanimous 'Aye'.
- 2823 Mayor Larsen called for a fifteen-minute executive session at 8:25 p.m. to discuss personnel. No council action will follow.
- 2855 Mayor Larsen reconvened regular session and adjourned the meeting at 8:40 p.m.

Mayor Barbara Larsen

Clerk-Treasurer