

CALL TO ORDER

Mayor Paul Helenberg called the January 26, 2015 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 AND COUNCIL COMMITTEE REPORTS

1. Public Works Director Dave Vorse reported bids for the Visitor Center were opened on January 6th. After review of the bids, a mathematical error on one bid was discovered and staff is clarifying that with the contractor. In addition, public works staff is evaluating what portion of the scope of work that could be done by city forces. He estimated that by the next council meeting, he will have a proposal for council to consider.
2. Vicki Selander, Librarian, reported Castle Rock Library is partnering with other libraries within the county to sponsor a Winter Adult Reading Program; January 20th through February 28th. Castle Rock Friends of the Library are providing prizes for local participants.
3. Councilmember Queen reported that data will be gathered and evaluated for an additional month prior to making a recommendation to city council regarding an amendment to delinquency collection procedures. Queen noted there is a lag time for customers using banking services to pay their utility bills. It appears the bank holds customer payment requests and then processes in batches; with the city not receiving payment until after several days later. In answer to Councilmember Kessler's question, Covington stated the bank issues a separate check for each customer and it appears they mail those payments in bulk. Covington stated staff has been date stamping when the payment is received by the city and making copies of the dates on the checks for documentation as part of this review.
4. Nancy Chennault, city representative to Cowlitz Economic Development Council (CEDC), reported CEDC will be sponsoring a Town Hall meeting to discuss needs for community planning for the 504 Corridor. The meeting will be held Thursday, February 5th at Toutle Lake High School, from 6:00 pm to 8:00 pm. Alice Dietz, program director for CEDC will be coordinating this meeting.

Other upcoming events include: Volunteer Day At The Science Learning Center (February 7th), Music On The Mountain (June 27, July 25, and August 29th).

5. Nancy Chennault presented the final report from the Citizen Task Force assigned to evaluate potential uses for the former Exhibit Hall building located at 147 Front Street NW. She noted that at the December 8, 2014 city council meeting the Task Force provided three

options for council consideration; develop into a Community Center, develop a business incubator or sell the property. At the conclusion of that presentation, Mayor Helenberg requested the Task Force research additional information on potential funding sources for the two development options. Chennault stated the Task Force has now completed this task and a list of possible funding options has been provided to council at tonight's meeting. Chennault added the Task Force is limited to further research on grant options because many of the granting agencies will only speak with city personnel.

Chennault introduced Task Force members Marilyn Young-Skoglund (business incubator option) and Marti Boshardt (community center option) and noted these individuals were available to answer any additional questions regarding those options.

Chennault noted the building will continue to serve as a Visitor Center for the next five to six months; until the new visitor center is completed. During that period, the Task Force would like councilmembers to review the recommended options, so that a plan can be developed for use of the building.

Councilmember Teter asked if it would be possible to rent out the building in its current condition. Chennault stated it may be possible to provide for office space, possibly for the Castle Rock Community Development Alliance (CRCDA); which would provide a downtown presence for that organization. CRCDA was created to implement the city-adopted strategic marketing plan, and is a non-profit organization.

Chennault noted that council should consider continuing to research grant possibilities to fund those recommended options; which will entail city staff time to complete. This should include funding cycles, grant restrictions, match requirements and other pertinent information to see if a funding package could be developed.

In answer to Mayor Helenberg's question, Covington stated she would need to contact the city's insurance carrier to ascertain if they have any restrictions. Other considerations that may need to be addressed would include rental fee, assignment of staff responsible to oversee that the building is ready for the event and to open and close the building after the event, insurance coverage needs, and if a deposit will be required by the city. Covington noted that if the city rents out a portion of the building (such as for a quilt show) and still uses another portion of the building for visitor information services; there needs to be some way to divide the building to protect against potential loss.

Vorse noted there needs to be a more specific direction determined if council wants staff to research or apply for grants. For short term uses, council will need to develop some kind of management policy for the building; if the option of renting is being considered.

In answer to Mayor Helenberg's question, Vorse stated in order to pursue possible 'anchor

tenants' such as the Forest Service or Mt. St. Helens Institute, staff would need to have direction from council to authorize this dialogue with those organizations.

In answer to Councilmember Davis' question, Vorse felt the building could be used for 'like purpose events' without the need to remodel. He noted such events may include family reunions, birthday parties, etc. City Attorney Frank Randolph stated for commercial leases, the city could lease the building on an 'as is' agreement. As a condition of the lease, the city could require the tenant to have insurance, naming the city as an additional insurer. Randolph stated council could delegate Public Works to take the lead for management of the building if the city wanted to enter into short-term leases for the building.

Councilmember Rose suggested the rental agreement could include a provision that the renter hire people to clean the building after the event and to require a deposit to assure the city that conditions of the lease are met. Vorse stated he would speak with representatives who have shown an interest in renting the facility to obtain feedback on what they would be willing to have included in a rental agreement. Covington stated she would contact the city's risk manager to determine their recommendations.

Mayor Helenberg suggested if there is an interest, a workshop be scheduled at a later date to determine the direction of use for that building. Otherwise, council will need to make a decision to sell the building.

In answer to Councilmember Teter's question, Marti Boshardt stated she does not know if it is viable to rent the building 'as is' for community events. It would be important to determine the monthly costs for maintaining the building, so the city would have a basis for developing a rental charge.

Marilyn Young-Skoglund noted that the option for developing business incubators will take time. The potential 'anchor businesses' that have been mentioned are not going to move in right away; however it is a good time to begin strategic discussions with those agencies. For the incubator business option, the building would need to be upgraded and is not ready for tenants.

Councilmembers Teter, Rose and Davis stated they favored the option of a Community Event Center. Marti Boshardt noted it will take time before the Event Center option becomes a 'money maker' for the city; she felt the success would depend on good management and marketing of the facility. Boshardt stated their research focused on 'for profit' types of community events; however there could also be space offered for non-profit or social service purposes.

Vorse explained the difficulty in obtaining grant funding for economic development; noting it is important to do careful research.

Mayor Helenberg stated it appear the council consensus is to develop the building into an Event Center. He stated that staff has until July to outline possibly funding sources for this use. If adequate funds cannot be found, the city will need to consider the option of selling the building. Vorse noted that it will take well over a year to secure any funding.

Chennault stated over thirty citizens served on the Task Force, which began last August. She thanked all of the volunteers for their diligent and thorough work to develop options for the city council to consider.

In answer to Chennault's inquiry, Mayor Helenberg agreed to allow Chennault to locate a small office area for the CRCDA in the building. This would allow both accessibility for economic development inquiries and also provide for volunteer staffing for tourist information needs.

CONSENT AGENDA

1. Councilmember Queen made a motion, seconded by Rose to approve the minutes to the January 12, 2014 regular council meeting. Councilmembers Teter and Davis abstained. Councilmembers Rose, Queen and Kessler voted 'Aye'. Motion passed.

OLD BUSINESS

1. Staff provided an outline of estimated impacts for utility customer rates based on the potential loan funding available through the Rural Community Assistance Corporation. The loan would be used to fund the Water Treatment Plant Rehabilitation and Telemetry Upgrade projects. Vorse noted that funding for the two projects would require a loan in the amount of \$135,000. Options for the term of the loan range between 5 to 20 years, at 5% interest rate. A loan fee of 1% would also be assessed. Vorse stated the city engineer estimated annual payments to be: 5 year term = \$31,500; 10 year term = \$17,700; 15 year term = \$13,100; and a 20 year term = \$10,900.

Covington explained the process used to evaluate the customer rate impacts as outlined in the summary distributed to councilmembers. She noted since the improvements are for the Regional Water plant, the evaluation required analysis of impacts for the two regional customers; the city and county. The county's usage is approximately 45% and the city sharing 55% of the cost, based on metered flows from the Water Treatment Plant. Increases to the city's portion of costs directly impact rates for the city's utility customers.

Estimated impacts to monthly water rates for city customers (based on an average usage of 400 cubic feet us usage) are: \$1.55 - \$1.56 (5 year loan); \$.87 - \$.88 (10 year loan); \$.64 - \$. 65 (15 year loan) and \$.53 - \$.54 (20 year loan).

Mike Johnson, City Engineer, stated the Rural Community Assistance Corporation does

not favor long-term loans. In answer to Councilmember Kessler's question, Johnson stated the life expectancy of the telemetry upgrades is approximately 10 years, with the filter repair being 15 to 20 year life.

Covington noted variables to the rate estimates provided include:

- the timing of the loan fee charges. She was unable to ascertain if the loan fee is charged throughout the term of the loan or if it is paid as an initial loan fee.
- production levels at the Water Treatment Plant. Production levels are subject to impacts from variables including weather conditions and conservation efforts. The 2015 estimated revenue for the Water Treatment Fund is based on a production level of 18,998,501 gallons; which is slightly higher than in 2014. She noted the evaluation provided to council includes a production history from 2010 through 2014 for the Water Treatment Plant. The lower the production levels; the less revenue is realized; which may also impact customer rates.

Vorse also noted that customers with higher usage will see a greater increase to their utility bill. The rate impact estimate was based on a monthly customer usage of 400 cubic feet of water.

Mayor Helenberg and Councilmember Kessler both favor financing for a 10-year term.

Councilmember Kessler made a motion, seconded by Davis to seek funding of \$135,000, with a 10-year loan term for upgrade to the Regional Water Treatment Plant and upgrade to the telemetry system. By roll call vote; unanimous 'Aye'.

NEW BUSINESS

1. Councilmembers reviewed a written request submitted by RoadSafe Traffic Systems for permission to temporarily close Cowlitz Avenue East to allow Burlington Northern Railroad to repair their tracks. RoadSafe indicated that traffic control will comply with Washington State standards and detours will be provided during closures. Dates for the track repair have not yet been established; however could begin in February. Vorse noted RoadSafe has submitted a traffic repair road plan for his review. In addition there will need to be coordination with emergency services and the school district.

Councilmember Kessler made a motion, seconded by Queen to approve the RoadSafe Traffic Systems request and to direct Vorse to be the city's contact. By roll call vote, unanimous 'Aye'.

2. Chief Heuer reported that Sergeant Neves say a notice from the City of Bellevue offering donation of a portable Highway Advisory Radio trailer. Vorse stated it is a radio trailer that can be set up to allow people to tune to a specific radio station to receive public event notices. Examples of public notices could include street closures, emergencies

and notification for utility work. In answer to Mayor Helenberg's question, Vorse stated the city does not need a federal license for this unit. Vorse stated the unit looks to be a new condition.

Councilmember Teter made a motion, seconded by Rose to accept the donation from the City of Bellevue for the portable Highway Advisory Radio trailer. By roll call vote, unanimous 'Aye'.

3. Chief Heuer requested councilmembers consider amending the city policy relating to per diem meal reimbursement. Heuer recommended the city use the scheduled adopted annually by Washington State Office of Financial Management (OFM). Mayor Helenberg stated he had directed the clerk-treasurer to also research policies from other cities and a summary of that research was provided to councilmembers. Mayor Helenberg recommended averaging the meal rates adopted by OFM, which would be \$14 (breakfast), \$17 (lunch) and \$26 (dinner) for travel within Washington State and Oregon. This would provide a total of \$57/day for meal per diem. For travel outside of those two states, the mayor recommended using the U.S. General Services Administration per diem meal allowance rate as outlined on their website at www.gsa.gov.

Heuer stated the value of using the OFM per diem meal allowance rate would be that the rate is evaluated on an annual basis and more closely reflects meal costs within the State.

Councilmember Rose noted that as an owner of a hotel, she is familiar with per diem rates provided by various private contractors, State and Federal agencies. She has seen meal per diem rates ranging from a low of \$30/day; with the average being \$45/day for meals. Mayor Helenberg noted the reimbursement rate provided by his employer is \$80/day which includes meals and lodging. Based on her experience, Councilmember Rose stated she felt the OFM rates were very lucrative.

Councilmember Kessler stated he felt that taking an average of the OFM per diem meal reimbursement rates provides a fair medium for travel costs within the State. He does not want to see employees expend their own money to pay for costs associated with city travel requirements. Councilmember Teter noted the IRS meal per diem rate is \$52/day. Covington stated it is rare for employees to travel outside of Washington or Oregon. Resolution 99-10 already mandates that any training opportunities located outside of Oregon or Washington State requires council approval prior to incurring any costs. At that time, council could also approve the meal per diem rate based on U.S. General Services Administration per diem meal allowance for that area of travel outside of Oregon and Washington.

Chief Heuer added that OFM allows for inclusion of tips as part of the meal allowance.

Current city policy excludes that expense and he feels using the OFM policy would keep the city from having to research and update their policy to meet current acceptable practices. Covington noted that through her research, the meal per diem allowance included costs for meals, including tips.

Councilmember Kessler asked Covington to develop a resolution to include using the State average from OFM to determine per diem allowances for meals and to include the use of U.S. General Services Administration meal allowances for travel outside of the state. Council would like to consider that resolution at the next council meeting.

4. Councilmembers reviewed the engineering service proposal submitted by Gray and Osborne to develop an update of the city's development guidelines and public works standards; for a cost of \$5,483. Vorse stated this expense is included in the 2015 budget. The last update was in 2006 and the proposed revisions will include current standards and practices used by the city.

Councilmember Davis made a motion, seconded by Kessler to accept the engineering service proposal from Gray and Osborne for updating the city's guidelines and public works standards; for a cost of \$5,483. By roll call vote, unanimous 'Aye'.

5. Chief Heuer requests approval to receive the same uniform and cleaning allowance and cell phone stipend provided for police officers as outlined in their current collective bargaining agreement. Mayor Helenberg noted the police bargaining contract provides for an annual uniform allowance of \$800 and a monthly cell phone stipend of \$65 (for sergeant position). The uniform allowance is to be paid directly to the officer and covers replacement and cleaning.

Councilmember Kessler made a motion, seconded by Queen to approve a uniform and cleaning allowance and cell phone stipend consistent with the amount noted in the Police Officer Collective Bargaining Agreement. By roll call vote, unanimous 'Aye'.

6. Councilmember Kessler made a motion, seconded by Davis to approve the Interlocal Cooperative Agreement between Cowlitz County and the city for services performed and expenses associated with the Law Enforcement Partnership grant project. By roll call vote, unanimous 'Aye'.

ADJOURNMENT

There being no further business, Mayor Paul Helenberg adjourned the regular meeting at 8:43 p.m.

Mayor Paul Helenberg

Castle Rock City Council

Regular Meeting

January 26, 2015

Clerk-Treasurer Ryana Covington