

- 0006 Mayor Barbara Larsen called the 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: Greg Marcil, Earl Queen, Jack Reilly and Mike Mask. Councilmember Yund was excused.
- 0039 Councilmember Reilly made a motion, seconded by Queen to approve the minutes of the July 13, 2009 Council Retreat. By roll call vote, Councilmember Mask abstained, the rest Aye, motion passed.
- 0063 Councilmember Mask made a motion, seconded by Reilly to approve the minutes of the July 13, 2009 Regular Council Meeting. By roll call vote, unanimous Aye.
- 0081 It was noted for the record that the July 20, 2009 Council Workshop was cancelled.
- 0101 On behalf of Mayor Larsen, Councilmember Mask presented Chief Heuer with a proclamation declaring August 4, 2009 as National Night Out. The Castle Rock CARE Coalition and Police Department partner to bring this community based event to Castle Rock. The National Night Out event is held to build community awareness and participation in the prevention of crime and to reduce the use of alcohol, tobacco, and other drugs by sixth to twelfth graders. Chief Heuer praised Officer Charlie Worley's efforts as event coordinator.
- 0339 Mayor Larsen opened the Public Hearing at 7:34 p.m. to take public comment on the budgetary amendments for various funds to increase expenditure appropriations for fiscal year ending December 31, 2009.

Clerk-Treasurer Ryana Covington reports that this is the second public hearing on this amendment of the 2009 budget. The 2009 General Fund budget included interfund loans from the CDBG Home Rehab Fund in the amount of \$102,060 and the Swimming Pool Construction fund in the amount of \$134,014. This amendment also reflects adjustment resulting in award of grants and loans that have been received.

In response to a question from Donna Williams, 221 Second Avenue SW, Covington clarified that CDBG is short for Community Development Block Grant. This is a federal program for the rehabilitation of low income homes. These funds are for the repair of hazards or environmental health issues for homeowners with low to moderate income. The original grant was received by the City approximately fifteen years ago. Revenues of less than \$25,000 per year are no longer considered program income. At the discretion of council, these funds can be used for other needs or as a loan.

Ms. Williams expressed concern regarding future utility rate increases. Covington clarified that this budgetary amendment has no effect on utility rates.

There being no further discussion, Mayor Larsen closed the Public Hearing at 7:39 p.m. and resumed regular session.

- 0747 Police Chief Bob Heuer requested the introduction of new cadets be tabled until after uniforms are received. The new Police Cadets are Jenell Carnahan and Nick Sanchez.

Heuer requests that the 1991 Chevrolet patrol vehicle be declared surplus.

- 0815 Councilmember Queen made a motion, seconded by Reilly to approve Resolution No. 2009-07, a resolution declaring the 1991 Chevrolet patrol vehicle as surplus property, on first reading. By roll call vote, unanimous Aye.

Heuer expressed gratitude to Ed Smith for facilitating the Town Hall Meeting to discuss the Law Enforcement Excess Levy. He felt that Mr. Smith did a great job.

- 0912 In response to a question from Councilmember Mask, Public Works Director David Vorse summarized progress on the Boat Launch Project. The Army Corps of Engineer has received the long awaited report from the National Marine Fisheries Service (NMFS). The Corps now is completing their fifteen-day comment period. After review, it is anticipated that -permit approval should be received by August 6th or 7th. The Corps had a few comments regarding the Whittle Creek Mitigation Plan which are being addressed. The Fill & Grade Permit needed for the upland work has been obtained and the work to prepare the site for the in-water contractor has begun. A request for a two week extension for in-water work will be submitted to the Washington State Department of Fish & Wildlife (WDFW).

Councilmember Mask thanked Project Coordinator Paul Helenberg, Triple S Excavating, for a great job done on the upland work in a short amount of time. Mr. Helenberg invited councilmembers to come and see the changes at the site. He will report on the project's progress at the next meeting.

In response to a question from Donna Williams, 221 Second Avenue SW, Vorse clarified that the fish window for in-water work on the Cowlitz River is throughout the month of August. However, the WDFW is considering a two week extension request submitted by the city. The primary delay was waiting for the report from NMFS, which the Corps has now received. Vorse has been in daily communication with the agencies involved.

- 1173 In response to a question from Patricia McVey, 428 Front Avenue SW, Vorse detailed that FEMA is requiring all levees in the nation to be certified by the fall of 2009. The Corps is scheduled to work on the city's north levee from August

through November. The Corps Levee Project must be completed before certification can be obtained. In addition, council has funded the two remaining studies that are required for certification: an interior drainage study which should be received next week and a settlement study which was received today. When both these studies are done, the required material will be sent to FEMA along with a letter explaining that all conditions for levee certification have been completed, with the exception of the Corps Castle Rock Levee Improvement Project.

Vorse explained that there will be very few levees nationwide, able to meet the deadline. The studies required for levee certification are extremely costly, averaging from \$250,000 to \$1 million per levee mile. Castle Rock has been exceedingly fortunate that the Corps has completed many of those studies, at no cost to the City, as part of their project. The letter will be submitted to FEMA before the September 19th deadline. FEMA has indicated that they will provide a reprieve to those districts that are completing the certification process while they first concentrate on the diking districts that have not begun the process.

Ms. McVey stated that she currently pays \$380 a year for flood insurance. If Castle Rock loses levee certification and is mapped as being within a flood plain, the cost for flood insurance will be \$1,250 per year. She felt that citizens should be informed that they may want to purchase flood insurance before the September deadline. Vorse noted that the mapping process may take up to a year to complete.

Vorse noted that the city began working on the levee certification process two years ago, after FEMA sent a letter to all diking districts notifying them of the new certification requirements, including the September 19, 2009 deadline. Initially, local diking districts combined resources to contract with the Corps for the completion of certification requirements, at a total cost of \$18,000. When the federal government passed the Thompson Act, it forbid governmental agencies from competing for jobs that a private company could perform. Local cities and diking districts then needed to seek private resources to complete the work. Councilmember Mask added that in the last two years the City has allocated \$50,000 to obtain levee certification.

Donna Williams believes that a high risk designation on the FEMA Flood Insurance Rate Map will be devastating to the community particularly in these difficult economic times. Vorse reports that staff and elected officials met with Congressman Baird last February to discuss the extreme financial hardship imposed by this mandate. He suggested that constituents contact their representatives to make their concerns known. Every community nationwide that is protected by a levee must meet the same certification requirements set by FEMA.

1949 Clerk-Treasurer Ryana Covington reports that USDA Rural Development Administration (RDA) announced that the City has qualified for a \$300,000 loan for the Water Treatment Plant (WTP) Improvement Project. Project cost overruns resulted when paint containing lead was discovered at the WTP. The city submitted a grant/loan application to RDA seeking additional funds to cover the overrun cost. RDA has advised the City did not qualify for a grant, since the impact of this additional funding would be only 66¢ per equivalent residential unit (ERU), which is less than the RDA grant cutoff requirement of \$1 per (ERU). Covington stated the term of this loan is 40 years, with an interest rate of 3.5%.

RDA suggests that the City pay the balance of the existing 1969 Series 'B' RDA loan, which currently has a balance of \$26,000, using funds from the Water Reserve Account. RDA estimated that the new loan payment would be approximately \$13,000 a year – which is the same amount as the 1969 Series loan. Since customer rates were developed to include this amount; customer rates will not need to be increase as a result of this new loan.

Covington noted that when the cost overage was required, it was critical for the project to avoid delays because the city was using emergency wells as the sole source of water for the system. Drought conditions forced the city to issue a water conservation notice until the Water Treatment Plant could again begin production. For this reason, an interim loan with a variable rate was received from Cowlitz County which requires repayment within ten years. If the city chooses to retain this loan with Cowlitz County, the payment would be approximately \$30,000 per year, which will affect water rates.

2118 Councilmember Mask made a motion, seconded by Marcil to accept the RDA loan of \$300,000 and use those funds to pay off the loan from Cowlitz County. In addition, use the Water Reserve Account to pay the \$26,000 balance on the existing 1969, Series 'B' RDA loan.

During discussion: Vorse emphasized that the City tried to apply for grant funding, but did not qualify as city water rates are not high enough.

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

Councilmember Marcil pointed out that the WTP Improvement Project will not have an impact on water rates.

2279 Covington summarized the second quarter budget report. The General Fund has a balance of \$2,933,916.42. The year-to-date expenses are exceeding revenues in the following funds: General by \$9,876, Street, Exhibit Hall which is dependant upon the Hotel/Motel Tax, Local Criminal Justice due to a payment for the new police vehicle, DOT Spoil Site which just received reimbursement of grant funds today, Sewer Fund and Regional Sewer which was budgeted to use a portion of the beginning fund balance.

The Library Fund has exceeded the expenses that were appropriated when the 2009 Budget was adopted. At that time, it was only anticipated that the Library could remain open for a few months, due to the failure of the November excess levy vote. Due to donations received for library services, the city is able to continue operations. The budgetary amendment within Ordinance 2009-05 will increase the appropriations to reflect the donations.

Covington noted that 68.48% of the amount appropriated for mandatory LEOFF I medical costs has already been expended.

Covington presented a General Fund comparison encompassing the years 2005 through 2009, for second quarter year-to-date revenues. The 2008 second quarter year-to-date revenue was \$544,820.58 and current 2009 year-to-date revenue is \$531,883.22. She noted that planning fees anticipated in 2009 have not been realized due to the stagnant economy.

Covington reviewed the June utility customer statistics of 851 water customers and 765 sewer customers. The year-to-date net gain for water is \$50,242.29 and net loss for sewer is \$17,801.09. Rates are just meeting expenses for the combined utility service and water revenues continue to supplant sewer expenses. Councilmember Reilly pointed out that the sewer loss in the second quarter was over \$30,000 less than in the first quarter when the loss was \$49,225.49.

- 2720 Librarian Vicki Selander reports that the Library will be participating in the All County Library Picnic tomorrow from 6:00 to 8:00 p.m. This event will be held in the park next to the Longview Public Library's parking lot. Youth and their families that are participating in the Summer Reading Program have been invited.

In response to a question from Councilmember Mask, Selander reports that the amount of donations received may be enough to keep the Library open to the end of the year.

2784 Report of Meetings

Councilmember Mask has been attending the Park Summit meetings each Wednesday.

- 2809 Councilmember Marcil reported that it may be less costly to connect the City Hall Generator to natural gas service than to purchase and fill a propane tank. Councilmember Marcil detailed that the propane tank would cost approximately \$2700. Cascade Natural Gas has indicated that they will provide the hookup at no cost and thereafter the charge would be a monthly utility fee, plus usage.

By consensus, councilmembers agreed that the City Hall generator will be hooked up to natural gas.

- 2885 Covington noted that at the last meeting Councilmember Yund indicated that portions of Ordinance 2009-04, regarding the impounding of vehicles, may have a conflict with State statutes. Since the city attorney is not present to answer questions, Chief Heuer requests that this ordinance be tabled until the next meeting.
- 2942 Councilmember Marcil made a motion, seconded by Reilly to approve Resolution 2009-06 relating to the Six-Year Transportation Improvement Plan for 2010 - 2015 as mandated by RCW 35.77.010, on second reading. By roll call vote, unanimous Aye.
- 2959 Councilmember Mask made a motion, seconded by Queen to approve Ordinance 2009-05 amending the budget for the fiscal year ending December 31, 2009 as outlined in the ordinance and summarized in the Public Hearing, on second reading. By roll call vote, unanimous Aye.
- 2981 Reinhild Ayoub requests a utility adjustment for 20, 22 and 26 Cowlitz Street West. There are two businesses and one home supplied by one meter. The Ayoub's were out of town and neither business is aware of a reason for the high usage. Mrs. Ayoub speculated that an exterior faucet may have been left on and later turned off. Vorse verified that there is no leak.
- 3067 Councilmember Reilly made a motion, seconded by Marcil to approve a utility adjustment for 20, 22 and 26 Cowlitz Street West in the amount of \$152.19, due to extraordinary circumstances. By roll call vote, unanimous Aye.
- 3082 Mayor Larsen asked councilmembers to review their calendars and schedule budget workshop meetings. Councilmember Marcil advised that Councilmember Yund is out of town due to a family illness and has vacation scheduled beginning August 8th.

Donna Williams requests that meetings be scheduled during the evenings or on weekends to promote public attendance. Councilmember Marcil explained that it is difficult to schedule these meeting when councilmembers can attend. Councilmember Queen stated the budget process is long and drawn out. The public is invited, but meetings must be scheduled when councilmembers can meet. There is a deadline to adopt the budget. Issues with the 2009 budget must be resolved before meeting on the 2010 budget.

Councilmembers Mask and Queen cannot meet on Mondays. Councilmember Marcil cannot meet on Saturdays. Councilmember Reilly will be out of town on the week of August 3rd to the 7th. Councilmember Mask will be out of town on August 6th to the 8th. Mayor Larsen is unavailable on August 13th and 14th.

Mayor Larsen has a 3:00 p.m. meeting on Wednesday August 5th; however the majority of councilmembers indicated that they could meet on this Wednesday.

Tape 1 of 1

Side B

- Councilmember Mask stated that he will be attending the Park Summit meeting Wednesday morning, but this will be completed by 8:30 am. Available councilmembers agreed to meet on Wednesday August 5th at 9:00 a.m. Chief Heuer would prefer for the department supervisors to meet first to gather information before meeting with council. Councilmember Mask suggests that two councilmembers attend the department supervisor meeting. Councilmembers Mask and Marcil will meet on Wednesday August 5th at 9:00 a.m. with the department supervisors. Councilmember Queen pointed out that the Senior Center has a full schedule on Wednesdays and therefore the meeting will need to be held in the training room upstairs. Councilmember Mask indicated that a date for the Budget Workshop Meeting will then be decided following Wednesday's department supervisor meeting.
- 3759 Councilmember Mask would like to table the review of two draft ordinances submitted by the city attorney. These are: Animals and Animal Control Ordinance and a Code Compliance Ordinance. Council will review these when the city attorney is available to summarize.
- 3777 Councilmembers reviewed proposed Ordinance No. 2009-07 regarding retail water sales. In response to a question from Councilmember Marcil, Covington clarified that the ordinance clarifies the term 'month' to mean a 'calendar month'.
- 3880 Councilmember Queen made a motion, seconded by Reilly to approve Ordinance 2009-07 amending CRMC Chapter 13.16 Retail Water Sales, on first reading. By roll call vote, unanimous Aye.
- 3902 Councilmember Mask asked Chief Heuer to research the policy regarding residents that obstruct the public from accessing or using city owned right-of-way.
- 4090 Vorse reports that the Mountain Mania Festival was once again a success. He thanked everyone for making it happen and particularly Councilmembers Marcil and Queen who devoted a substantial effort. Councilmember Marcil thanked the Public Works Department, the Police Department and the Fire Department for their assistance with the event. Councilmember Mask noted that the festival had a huge attendance. Councilmember Reilly added that more the 180 people were served at the Senior Center's pancake breakfast.
- 4241 Mayor Larsen adjourned regular session at 8:44 p.m. for a 10 minute executive session to discuss personnel issues with no action anticipated.
- 4264 Mayor Larsen resumed regular session at 8:58 p.m. There being no further business, the meeting was adjourned.

Regular City Council Meeting

July 27, 2009

Clerk-Treasurer

Mayor Barbara Larsen