

0009 Mayor Pro-Tempore Greg Marcil 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: Earl Queen, Jack Reilly, Mike Mask and Khembar Yund. Mayor Barbara Larsen was absent due to illness.

0054 Councilmember Reilly made a motion, seconded by Mask to approve the minutes of the October 26, 2009 Regular Council Meeting. By roll call vote, unanimous 'Aye'.

0106 Vic Verhasselt, ABT Development, informed the council that he is suppose have improvements completed on his proposed subdivision, and be able to finalize the plat at the next council meeting. He advised that Cowlitz County has not provided him with permit approval for the road approach. The county engineers initially approved the plan, however the county's inspector now is requiring changes to the Powell Road intersection pertaining to curb returns and a reduction in the vertical curb on the west side of the roadway. Verhasselt stated he has met all of the city's criteria, however the county had variations on curb criteria. Until the engineering issues are resolved, he cannot move forward on completing the project.

He will be providing another update to council in two weeks, and may need to request an extension to meet the county's requirements.

0446 Mayor Pro-Tempore Greg Marcil opened the Public Hearing at 7:35 p.m. to take testimony on the proposed budget amendment for the Library Fund in the amount of \$12,134. Covington stated the library has received enough donations to allow them to remain open for this full fiscal year period. The proposed amendment would adjust the expenditure appropriations to allow the use of these additional revenues for the remainder of the current fiscal year. There being no comments, Mayor Pro-Tempore Greg Marcil closed the public hearing on this issue.

0545 Mayor Pro-Tempore Greg Marcil opened the Public Hearing at 7:38 p.m. to take testimony on the proposed budget for fiscal year 2010 as it relates to the need for an increase of the ad valorem taxes for that fiscal period. Covington stated the city's current assessed value is \$116,776,153. This is less than the value used for 2009 tax period, which was \$122,696.283 for the current year assessment.

Covington stated reductions in property valuations and the operational needs for the General Fund (current expense) will require the city to impose the full allowable levy rate, which will provide an additional revenue amount of \$3,924.95 and increase the tax percentage by 1.3582% from the previous year.

Covington also provided a handout showing distribution of levy tax dollars for the

current tax period. Covington stated councilmembers will be considering an ordinance and resolution to increase the amount levied in 2010. There being no comments, Mayor Pro-Tempore Greg Marcil closed the public hearing on this issue.

- 0581 Mayor Pro-Tempore Greg Marcil opened the Public Hearing at 7:45 p.m. to take testimony on the proposed budget for fiscal year ending December 31, 2010 including capital projects, projected revenues and fund appropriations.

On behalf of Mayor Larsen, Covington prepared a budget message outlining the proposed expenditures for 2010. The total proposed budget is approximately 28% less than the current fiscal year. This is attributed to the projects such as the Water Treatment Plant reconstruction and Boat Launch projects nearing completion. The total 2010 proposed budget is \$7,494,700. Two councilmembers served on the mayor's budget committee and provided input. In addition, the councilmembers held a budget workshop meeting October 15th to further discuss and provide direction on the budget.

The proposed budget includes increases to the city's utility taxes for electric, natural gas, telephone services, water, sewer and stormwater from 5% to 6%. Most of these utility taxes have not been increased since 1958 when they were first adopted.

Councilmembers also requested increases to revenue estimations for retail sales tax and the General Fund beginning fund balance, citing that staff's projections may be too conservative. Covington also stated that the projected General Fund ending balance (non-appropriated amount) was also reduced at the request of council.

An outline of the proposed 2010 current expense revenues was presented, along with comparison data from 2008 actual and 2009 year to date revenues.

Most employees will not receive a cost of living increase, with the exception of the public works bargaining unit, which will receive a 2% increase, per the terms of their contract. The city is currently negotiating contracts for the police bargaining unit and also the clerical bargaining unit.

This month, the city did need to reduce their workforce in the police department, however that position will be funded for the remainder of this year and for the next two years through the federal COPS Grant program. This grant provides approximately \$66,000 per year, for a three year period. The grant mandates that the city will fund the position in the fourth year.

Covington stated that a new classified position in the public works department is proposed, which would include certification for electrical technician to provide services on the electrical panels at the treatment plants. Currently the city

expends over \$100,000 a year for this service. This position would require instrumentation experience to reduce this cost.

The city council is also negotiating with all three collective bargaining units to allow a change in the city's medical, dental and life insurance coverage provider. A change to AWC medical plan would allow inclusion of the city's LEOFF I retirees, reducing the need to provide self-insurance for these two individuals. Covington explained that police officers retiring under the State of Washington LEOFF I retirement system are guaranteed provision of medical coverage for the remainder of their life span. The city has only two retirees that are eligible for this retirement plan, however the cost to purchase medical insurance for these two individuals is approximately \$80,000 per year.

Law enforcement services increased approximately 1.7%, which can be attributed to increases in the city's current medical insurance provider.

Covington stated the city's medical provider, William Earhart Company, estimated an increase between 10% to 15%. The city will not be provided with their final adopted increase until November. From this information, councilmembers have included an increase of 13% in the proposed budget.

Covington stated the city's liability insurance carrier also has increased approximately 12% and this expense is shared between multiple funds within the budget.

Capital projects in fiscal year 2010 include:

- * Completion of the boat launch project; this is grant funded, with an estimated \$250,000 remaining funds available in 2010.
- * Update of the computer software from DOS to Windows base operating system for the payroll, budget and utility billing functions; approximately \$43,000. This expense is shared between multiple funds. The project was included in the 2009 budget, however the need for additional information pertaining to meter systems was needed before the project could proceed.
- * Cowlitz Street West reconstruction project; \$689,700; grant funded.
- * Riverfront Trail extension, \$343,697; grant funded
- * Riverfront Trail repair, completion of project; \$50,000; grant funded
- * Purchase of grinder pumps, \$35,000; funded mostly by a capital improvement contribution from Cowlitz County.
- * Meter replacement project, \$15,000; funded by utility user charges
- * Water main replacement project, \$30,000; Kirby Avenue area; funded by utility user charges.
- * Well control line installation, \$5,000; funded by utility user charges. This project allows communication between the city wells and the treatment plant.
- * Survey land swap project with Department of Natural Resources, \$14,000; grant funded.

- 1210 Mr. Glenn Pingree confirmed there is also a slight increase in 9-1-1 dispatch fees. In answer to Mr. Pingree's question, Councilmember Queen stated the new public works position would be instrumentation specialist. Vorse stated that the person in this position also will be expected to do all other aspects required within his department, including obtaining water and sewer treatment certifications.
- 1283 There being no further public discussion, Mayor Pro-Tempore Marcil closed the public hearing at 7:58 p.m. and resumed regular session.
- 1296 Chief Heuer reported on a recent arrest for marijuana possession. His department confiscated over 90 plants.
- 1342 Councilmembers reviewed the bid results for the center boarding floats to be installed at the boat launch facility as follows:

<u>Contractor</u>	<u>Bid Amount</u>	<u>Special Comments</u>
Shoreside Marina Bellingham, WA	\$ 91,398	Lump Sum, FOB, includes taxes
Ferguson Enterprises Longview, WA	\$138,253.24	Includes taxes
Topper Industries Inc Battleground, WA	\$113,912.00	FOB, does not include tax or permits

Vorse noted that council direction to staff for the remaining boat launch projects included the parking lot base rock, completion of the mitigation work, completion of the concrete ramp and the center boarding ramp. Completion of this work would allow the launch to be usable.

Vorse stated the city has expended \$729,000 as of October 2009, with approximately \$271,000 remaining. He noted that the low bidder, Shoreside Marina, provided a bid of \$91,398.

Vorse stated the goal is to have the ramp usable by spring. It will take up to twelve weeks to build the floats.

Project Manager Paul Helenberg showed plans outlining the areas proposed to be completed for the concrete sidewalk, curbing, ADA parking and paving of the front portion of the parking lot. He noted the entire launch will be ADA accessible.

In answer to Councilmember Queen's question, Mr. Helenberg did not think that the access road would be paved all the way to Westside Highway. Vorse stated current funding should allow paving to be completed around the near vicinity of the launch. No cost estimate has been established for the remaining proposed projects.

In answer to Councilmember Mask's question, Helenberg stated that he feels paving would be more beneficial than completion of the restroom facilities because the city could use portable facilities until other funding is secured.

Vorse stated he is asking for council to approve the bid for the ramp system and also to provide staff with an understanding of council's priorities for the remaining projects.

- 1651 Councilmember Queen made a motion, seconded by Reilly to accept the low bid from Shoreside Marina in the amount of \$91,398 for the center boarding floats and move forward with the paving.

In discussion, Councilmember Mask requested these issues be separated and that a contingency be placed on the paving, requiring that a cost analysis be completed before council approval is obtained. City Attorney O'Neill noted that the motion has been made a seconded. Councilmember Queen stated that staff has already noted they will not expend more than the available funding and he feels that the remaining issues need to be approved.

By roll call vote, unanimous 'Aye'.

- 1712 By consensus, Councilmembers directed staff to complete an analysis of the paving costs before paving begins and to allow staff to move forward to complete the curbing and the launch approach.
- 1777 Vorse requested councilmembers consider approving the purchase of a 1996 Ford Super Duty truck, with crane. Cowlitz County has centralized all their mechanics facilities and is offering this vehicle as surplus. The estimated cost at auction will be \$8,000, based on sales of similar vehicles.

Councilmember Mask questioned if this is to be in lieu of the grinder pump purchase. Vorse stated he was just notified of the opportunity to purchase this vehicle and the crane could be used at the city's other pump stations. The grinder pump would still be an asset for the west side pump station.

In answer to Councilmember Mask's question, Vorse stated the purchase would be funded from the Public Works Vehicle Replacement Fund. Vorse stated that two months ago, council approved purchase of a pickup in the amount of \$21,000, with proceeds also coming from the Public Works Vehicle Replacement Fund. If council approves purchase of the truck from Cowlitz County, Vorse estimates there will be approximately \$12,000 available for 2010. With the addition of the 2010 interfund transfers, there should be sufficient funding available in the Public Works Vehicle Replacement Fund for the purchase of a dump truck proposed for the 2010 fiscal year.

In answer to Councilmember Queen's question, Vorse stated he has spoken with

the county's mechanics and they have provided a copy of the maintenance history for the truck. In answer to Councilmember Mask's question, Vorse stated it is still a priority to purchase a dump truck, however he felt it prudent to advise the city of this opportunity.

In answer to Mr. Pingree's question, Vorse stated the reach on the crane is sufficient to be able to access the Dougherty Drive sewer lift station, the north stormwater pumps and also the south stormwater pump station. Vorse stated the county used this truck for pulling their submersible pumps.

- 2070 Councilmember Yund made a motion, seconded by Mask to authorize the purchase of the truck through the auction, not to exceed \$8,000.

In discussion: Councilmember Mask recommended that Councilmember Marcil attend the auction with Vorse to ascertain if this is the best truck to purchase for the price.

By roll call vote, unanimous 'Aye'.

- 2161 Clerk-Treasurer Ryana Covington advised that Councilmember Yund has reviewed all vouchers prior to this meeting. No discrepancies were noted.
- 2172 Councilmember Mask made a motion, seconded by Queen to approve October invoices in the amount of \$408,683.95 as described on the Summary of Claims and further described as check numbers 39168 through 39269 for general expenses, adjustment number 61 for general expenses, and check numbers 20900 through 20942 for payroll expenses. By roll call vote, unanimous 'Aye'.
- 2206 Council Report of Meetings:
Councilmembers Mask and Queen participated in negotiations for the clerical employee bargaining contract.
- 2213 Councilmember Yund requested the issue of vacation and sick leave accrual policies for non-bargaining employees and supervisory employees be included on the agenda for discussion. He proposes that vacation and sick leave accumulation limits be increased to bring into conformity with what is provided to collective bargaining employees. In addition, he proposes that vacation accruals for supervisory staff be provided on a monthly accrual, instead of an annual basis (anniversary date). Councilmember Yund noted this issue has been discussed by councilmembers in past meetings and he requested department supervisors to provide a memorandum summarizing the proposed changes.

Covington stated if council chooses to approve the proposed changes, the resolution number would be 2009-11.

In answer to Councilmember Mask's question, Covington stated adjustment of the

vacation and sick leave accruals would not affect the 2010 budget. Covington did stated that a transition period would be needed to allow some of the supervisor staff to reduce their current vacation accruals to bring into alignment with the new policy.

Councilmember Reilly questioned what would happen if the proposed accrual limits were exceeded. Covington stated if circumstances prevent the employee from taking vacation, the city's current policy allows for the employee to request an extension from the mayor. If the mayor does not agree to an extension approval, the employee would need to use the accrued vacation, or lose the time.

- 2369 Councilmember Mask made a motion, seconded by Reilly to approve Resolution No. 2009-11, on first reading, to include the increases outlined in the November 6, 2009 memorandum, provided that these changes do not affect the 2010 budget requirements.

Discussion: In answer to Councilmember Yund's question, Chief Heuer stated the only affect on his budget would be when he assigns an acting Chief status to his employee, while the chief is out of the area. The acting chief pay is not a substantial amount and can be absorbed into his budget.

Councilmember Mask requested that Covington prepare a cost estimate for that impact.

By roll call vote, unanimous 'Aye'.

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- 2477 In response to council's request, Covington stated she completed a summary of customer utility account adjustment policies. Councilmember Reilly tabled further discussion until after the beginning of next year when the new councilmembers take office and can participate in the policy discussion.

Councilmember Mask stated he did not agree with tabling the issue. He stated that the two newly elected councilmembers are in attendance and have the ability to participate. Mask feels this issue is import to address in an effort to reduce costs to our utility rate payers. City Attorney O'Neill noted that the issue has been tabled and is not subject for further discussion.

- 2620 Councilmembers reviewed a draft copy of the proposed collective bargaining contract for the police unit. The terms of this contract would be from January 1, 2010 through December 31, 2012.

In answer to Councilmember Yund's question, Chief Heuer stated the cell phone stipend has been eliminated from the contract and is included as a Memorandum of Understanding (MOU). Although the city does not provide cell phones to the

employees, they do provide a stipend to employees for use of their private cell phones. The MOU is to allow latitude for the city to change which cell providers they will allow for the stipend, without having to renegotiate the contract. Chief Heuer stated the air card provider for the vehicles are not through Nextel.

2838 Councilmember Yund made a motion, seconded by Queen to approve the collective bargaining agreement between the City and the police bargaining unit, contingent upon approval by the police bargaining unit. By roll call vote, unanimous 'Aye'.

2935 Councilmember Mask made a motion, seconded by Reilly to approve the leak adjustment requested by David Rowe, Front Avenue SW, in the amount of \$204.87. By roll call vote, unanimous 'Aye'.

In answer to Councilmember Yund's question, Councilmember Mask stated he does not have an issue with a leak adjustment, just those for extraordinary circumstances where the loss cannot be attributed to a leak or break in the pipes.

3003 Councilmember Yund made a motion, seconded by Reilly to adopt Ordinance No. 2009-12, an ordinance amending revenue and expenditure appropriations within the Library Fund, in the amount of \$12,134 for the current fiscal year, on first reading. By roll call vote, unanimous 'Aye'.

3046 Councilmember Yund made a motion, seconded by Reilly to adopt Ordinance No. 2009-13, an ordinance fixing the estimated amount to be raised by Ad Valorem taxes for the 2010 fiscal year assessment, on first reading. By roll call vote, unanimous 'Aye'.

3106 Councilmember Mask made a motion, seconded by Reilly to approve Resolution No. 2009-10, a resolution of the City of Castle Rock pursuant to Section 209 of Referendum No. 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 2009, on first reading. By roll call vote, unanimous 'Aye'.

3149 Councilmember Mask made a motion, seconded by Queen to approve Ordinance No. 2009-14, an ordinance establishing a Short Lived Asset Account as a requirement of the loan proceeds received from USDA Rural Development for the Water Treatment Plant reconstruction project, on first reading. By roll call vote, unanimous 'Aye'

3170 Councilmember Mask made a motion, seconded by Reilly to approve Ordinance No. 2009-15, an ordinance establishing a Municipal Water Capital Improvement Fund, on first reading. By roll call vote, unanimous 'Aye'.

- 3234 Councilmember Yund made a motion, seconded by Queen to approve Ordinance No. 2009-16, an ordinance amending Castle Rock Municipal Code 5.16.470 (3) and Castle Rock Municipal Code Chapter 5.24.040, to increase the utility tax rate for electric utility services from 5% to 6%, on first reading. By roll call vote, unanimous 'Aye'.
- 3267 Councilmember Yund made a motion, seconded by Queen to approve Ordinance No. 2009-17, an ordinance amending Castle Rock Municipal Code 5.16.470 (7) and Castle Rock Municipal Code Chapter 5.20.040, to increase the utility tax rate for natural gas utility services from 5% to 6%, on first reading. By roll call vote, unanimous 'Aye'.
- 3294 Councilmember Mask made a motion, seconded by Queen to approve Ordinance No. 2009-18, an ordinance amending Castle Rock Municipal Code 5.16.470 (4) and Castle Rock Municipal Code Chapter 5.44.020, to increase the utility tax rate for telephone business utility related services from 5% to 6%, on first reading. By roll call vote, unanimous 'Aye'.
- 3340 Councilmember Reilly made a motion, seconded by Queen to approve Ordinance No. 2009-19, an ordinance amending Castle Rock Municipal Code 5.16.470 (2), 5.16.470 (5), 5.50.020 and 5.54.020 to increase the utility tax rate for water and sewer utility services from 5% to 6%, and also adding Section 5.16.470 (8) and Chapter 5.56 Stormwater utility tax, on first reading. By roll call vote, unanimous 'Aye'.
- 3359 Councilmember Yund made a motion, seconded by Queen to approve Ordinance No. 2009-20, an ordinance adopting the budget of the City of Castle Rock for the fiscal year ending December 31, 2010, on first reading. By roll call vote, unanimous 'Aye'.
- 3420 Councilmember Mask made a motion, seconded by Reilly to approve Ordinance No. 2009-21, an ordinance renaming the Regional Sewer Capital Improvement Reserve Fund to the Municipal Sewer Capital Improvement Reserve Fund, on first reading. By roll call vote, unanimous 'Aye'.
- 3458 Mayor Pro-Temp Marcil adjourned regular session at 8:31 p.m. for a twenty-minute Executive Session to discuss two issues; a personnel issue and also litigation . No action is anticipated.
- 3460 Mayor Pro-Temp Marcil reconvened regular session at 8:48 p.m.
- 3461 Covington announced that the Planning Commission, in conjunction with Cowlitz County Planning Commission and Cowlitz-Wahkiakum Council of Governments is hosting a training session entitled; Futures Game Pacific Northwest. Working in teams, participants are challenged to make decisions about contemporary issues, including land use, workforce development and investing in public funds

to learn how decisions on these issues integrate and affect long range outcomes. The Planning Commission hopes to have members of the city council, school district, community leaders, park board and chamber of commerce participate in this training. The training will be held on November 18th at 7:00 p.m. at the Senior Center.

3595 Mayor Pro-Tempore Greg Marcil adjourned the meeting at 8:51 p.m.

Greg Marcil, Mayor Pro-Temp

Clerk-Treasurer