

CALL TO ORDER

Mayor Helenberg called the October 28, 2019 Special Meeting to order at 6:02 PM, followed by the Pledge of Allegiance. Location of meeting: Castle Rock Senior Center, 222 2nd Ave SW.

Purpose of the Special Meeting: Review and clarify sections of the proposed budget for the fiscal year 2020. Councilmembers in attendance: Art Lee, Lee Kessler, Earl Queen, Paul Simonsen and Ellen Rose.

Also Present: Public Works Director Dave Vorse, Police Chief Scott Neves, Police Sergeant Charlie Worley and Clerk-Treasurer Carie Cuttonaro.

Documents distributed:

- 2020 Estimated Revenue and Expenditures Reports – which includes the following
 - planned purchases using Real Estate Excise Taxes (REET)
 - proposed utility rates increase of 2.5% for water, sewer and stormwater customers
 - salary increase impacts
- Capital Outlay requests; include expenses that will be covered by REET funds

Discussion regarding Fund 150 Accumulative Fund & its purpose. Fund originated years ago as a reserve fund for specific purposes. Cuttonaro will research this further.

Discussion regarding the car tab initiative and its potential impacts. The Castle Rock Transportation Benefit District would not be affected as the revenue is not assessed on the car registrations.

Councilmembers reviewed the 2020 proposed revenue in the General Fund. The ending fund balance for 2019 is anticipated to be higher than budgeted. Councilmember Lee asked how the anticipated revenue in the General Fund is calculated. We use historical data, plus the increase from the Ad Valorem ordinance, if approved. Additionally, how the economy is has an impact on these numbers.

Vorse stated the upcoming Library Excess Levy in the General Election and whether it passes or fails may have possible impacts to the budget.

Revenue received for Business Licenses in 2019 is higher due to the recent partnership with BLS through the State. This includes prior years that had gone unpaid as well as pro-rated fees to align the expiration date of the City license with the renewal date of the State license.

There is no estimate information available to calculate the marijuana excise tax. We have received \$865.95 in 2019.

Vorse stated PUD will be installing new LED lights in all the street lights, which will reduce the energy expense to the Street Fund. There is currently an expense estimated at \$27,000 for 2020. However, this can have a significant reduction based on the LED light installation. PUD anticipates this project may be completed by the end of 2019, barring inclement weather. There is currently anticipated revenue from the General Fund (\$50,900) and TBD Fund (\$55,810.00).

Street Capital Construction Fund: Has anticipated projects including chip seal (funded by TBD), Dougherty Dr (funded by grants & loans), Complete Streets (funded by grants), and Six Rivers Regional Trail (funded by grants).

Cuttonaro noted the part-time salaries for the Building Official has exceeded the anticipated expenses for 2019. This is driven by permitted activity and the revenue received from permits supports the increase expense.

Chief Neves stated the vehicle replacement plan for the Police Department was two vehicles funded by General and one funded by the Local Criminal Justice Fund. The economic downturn left this plan unsupported. The plan was changed to one vehicle funded by General and one funded by the Local Criminal Justice Fund. The plan was again modified in 2018, with a new vehicle purchase loan extended from three to five years. Dependent upon the City's revenue, long-term goal (within five years) is to have the vehicle replacement plan again at three years.

DOT Spoils Site Fund: Vorse stated the dredge spoils have begun to be sold. The Youth Athletic Facility grant for North County Recreation Association is a pass-thru grant housed within the DOT Spoils Site Fund.

Public Works Replacement Fund: Vorse stated this fund is building up for the next backhoe replacement.

REET Fund: Expenditures include reimbursements for: rifle & taser replacements, body cams, radios, computer desktop tablets, server room remodel, generator modifications, A/C and window replacement on the 2nd floor of City Hall, park signs, refuse containment, and video surveillance. The video surveillance system may be covered by the AWC Loss Control Grant.

Water/Sewer Operating Fund: Vorse stated this fund needs a utility rate increase of 2.5% to balance the fund. Water operating capital expenditures include the water system plan update, shop remodel, 135 meter replacements, Kirby Ave SE water main replacement, paint the exterior of the Public Works facility, and the SR411 bridge's water main replacement – design. Sewer operating capital expenditures include the WWTP biosolids compost, WWTP PLC replacements, Sundial sewer issues, video inspection, and the SR411 bridge's sewer main replacement – design.

Regional Water Fund: Vorse stated the funding for the Powell Rd Overpass will come from the ending fund balance. A 2% increase in wholesale water rates will be necessary to bring the ending fund balance back up, but it will take a few years to get there. This is a better option than additional loans. Other capital expenditures include the water system plan update, radio survey, and SR 504 transmission main replacement.

Stormwater Fund: Vorse stated we are anticipating an increase of 2.5% to the stormwater rates. This will help pay for the \$15,714 that was committed to Cowlitz County for the survey the Corps of Engineers is completing on the Cowlitz River. Other capital expenditures include the Cherry St pump station, Green Acres p.s. valve, and inspection of culverts on Dougherty Dr prior to the new road.

Boat Launch Fund: We have secured 75% of the funding to do the work that is currently being designed. We have not asked the Port of Longview for the additional funding because we need to find out if the regulatory agencies will accept the design.

Transportation Benefit District Funds: Revenue has been \$90,000 annually. This will sunset when the street loans are paid off.

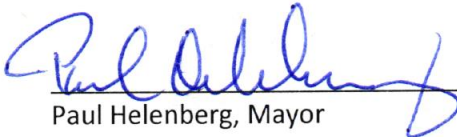
Cuttonaro asked if another budget workshop should be scheduled. There was no suggestion for another budget workshop.

ADJOURNMENT

There being no further business, Mayor Helenberg adjourned the Special Meeting at 7:30 PM.



Carie Cuttonaro, Clerk-Treasurer



Paul Helenberg, Mayor