

## MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

June 21, 2016

The minutes of the proceedings of a regular meeting of the City Council of the City of Coos Bay, Coos County, Oregon, held at 7 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

### **Those Attending**

Those present were Mayor Crystal Shoji and Councilors Fred Brick, Mark Daily, Jennifer Groth, Stephanie Kramer, Thomas Leahy, and Mike Vaughan were present. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Deputy Finance Director Amy Kinnaman, Library Director Sami Pierson, Community Development Director Eric Day, Wastewater Project Engineer Jennifer Wirsing, Fire Chief Mark Anderson, and Police Chief Gary McCullough.

### **Flag Salute**

Mayor Shoji opened the meeting and led the Council and assembly in the salute to the flag.

Councilor Daily entered the meeting at 7:02 p.m.

### **Public Comments**

John Chirrick, Coos Bay: stated he was the General Manager for the Charleston Sanitary District (CSD) and provided the Council with a press release from the United States Department of Agriculture (USDA) which stated CSD was awarded \$8.5 million in funding (a \$5 million loan and a \$3.5 million grant) to pay CSD's proportional share of the cost to replace wastewater treatment plant #2 (WWTP#2). Mr. Chirrick noted there was a time limit in which the funding would need to be used. John Bragg, Coos Bay: stated he worked for South Slough National Estuarine Research Reserve; presented suggestions for developing a vision for improving and expanding the waterfront boardwalk and city dock area on behalf of the South Slough Reserve which included moving the location of the proposed kayak launch; relocating the pedestrian overpass from the proposed location at Hall Avenue to cross Highway 101 and the railroad tracks at Elrod Avenue; protecting the small salt marsh near the southerly extent of the levee path; relocating the proposed retail space on a reduced footprint to the area south of the pavilions, and plans for future expansion in response to business enterprises and consumer demand. George Wright, Coos Bay: stated he was Interim Executive Director for the Coos History Museum; promoted the museum and urged everyone to visit soon and often.

### **Consent Calendar**

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the regular minutes of June 7 and work session minutes of June 10, 2016; 3b: acceptance of the May 2016 accounts payable and payroll check registers; 3c: acceptance of the May combined cash report; 3d: approval of Extended Service Office (ESO) Coos County Library District's (CCLSD) subscription agreement to the Online Computer Library Center (OCLC), and; 3e: approval of annual Oregon Liquor Control Commission (OLCC) license renewals for 7 Eleven Store #2363, Bassett-Hyland Energy Company, Best Western Holiday Motel, Blackmarket Gourmet, Blue Heron Bistro, Captain's Cabin, Coach House, Coney Station, Inc., Empire Bakery, EZ Thai Restaurant, Fast

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Mart, Hari Co. Etc. Salon and Day Spa, Lighthouse Grocery-Deli, Margarita's Mexican Grill, Ma's Garden Restaurant, O'Bradi LLC, Oregon Coast Culinary Institute, Outdoor-In, Pueblo Nuevo 2 Mexican Restaurant, Red Lion Inn, Safeway Store #1556, Sharkbites Seafood Café, Smith's Bay Way Market, and Walt's Pour House. Mayor Shoji requested approval of OLCC annual license renewals as listed in item 3e, be moved down to the agenda as item 4b for separate consideration. Councilor Daily moved to approve the consent calendar as amended approving the regular minutes of June 7 and work session minutes of June 10, 2016, accepting the May 2016 accounts payable and payroll check registers, accepting the May combined cash report, and approving the ESO CCLSD's subscription agreement to the OCLC. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

### **New Council Business**

Councilor Daily moved to establish a council committee consisting of Mayor Shoji and Councilors Brick and Leahy with Councilor Vaughan as an alternate. The purpose of the committee would be to select an attorney who specialized in wastewater treatment for the purpose of assessing the city's wastewater treatment operations with the intent of developing a request for proposal for private wastewater treatment with best available technology and for staff to be available to assist the attorney. Staff should not move forward with the current wastewater treatment plant plans unless the Council discovered, through the special attorney, that it would not be viable to move forward with a private plant. Councilor Vaughan seconded the motion. City Manager Rodger Craddock stated not moving forward would put Charleston Sanitary District's loan and grant funding in jeopardy which in turn would impact cost sharing responsibilities; it would increase the overall cost to build the wastewater treatment plant, and jeopardize the \$2 million dollar funding secured for storm water improvements. City Manager Craddock stated there would be additional costs to keep the existing plant operational and possible fines for not moving forward. Councilor Vaughan noted there were some weaknesses but thought the investigation could result in a tremendous cost savings in the long run.

Councilor Groth inquired if Mayor Shoji and Councilors Daily and Brick felt this would be a way for the Council to move forward. Mayor Shoji stated she had considered a neutral third party but it was not something she wanted; was in favor of existing construction plan but was willing to serve on a committee so the City could move forward; noted the City was under a requirement by the Department of Environmental Quality (DEQ) and had obligations to Bunker Hill and Charleston Sanitary Districts and citizens. City Manager Craddock stated the process needed to be expedited; expressed concern that an attorney was not an appropriate approach and suggested there were subject matter experts not associated with the project that were more qualified to perform the evaluation; recommended the Council issue a request for proposal to evaluate the City's wastewater treatment options. Councilor Daily suggested starting with an attorney specializing wastewater matters. City Attorney Nate McClintock agreed with City Manager Craddock and suggested an engineer would have more expertise to evaluate the two competing processes; an attorney could prepare the contract but would not likely have the expertise to evaluate which would be the best wastewater treatment option. Councilor Daily stated his thought was to start with an attorney and then proceed as City Manager Craddock and City Attorney McClintock suggested; have the attorney evaluate the City's legal position and if it was viable to move forward; stated he researched two different attorney's out of San Francisco, California that specifically dealt with wastewater. Councilor Brick stated he needed a better understanding of

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the ramifications of privatizing the wastewater treatment plant. A call for the question was made which carried with Councilors Brick, Daily, Leahy, and Vaughan voting aye and Mayor Shoji and Councilors Groth and Kramer voting nay.

Mayor Shoji asked City Manager Craddock to request an extension from DEQ on the City's existing loans and other obligations. Councilor Kramer requested City Manager Craddock to provide the Council with an update when he received a response from DEQ in addition to any other ramifications resulting from the approved motion, and to schedule a special meeting if necessary. City Manager Craddock suggested he and City Attorney McClintock could reach out to the attorneys suggested by Councilor Daily to inquire if wastewater evaluation was within their scope of work and how best to proceed. Consensus was for City Manager Craddock to make initial contact with attorney as proposed and if the scope of work was possible, ascertain cost and setup a phone conference for the committee.

### **Approval of Oregon Liquor Control Commission Annual License Renewals**

Mayor Shoji requested approval of Oregon Liquor Control Commission (OLCC) annual license renewals for 7 Eleven Store #2363, Bassett-Hyland Energy Company, Best Western Holiday Motel, Blackmarket Gourmet, Blue Heron Bistro, Captain's Cabin, Coach House, Coney Station, Inc., Empire Bakery, EZ Thai Restaurant, Fast Mart, Hair Co. Etc. Salon and Day Spa, Lighthouse Grocery-Deli, Margarita's Mexican Grill, Ma's Garden Restaurant, O'Bradi LLC, Oregon Coast Culinary Institute, Outdoor-In, Pueblo Nuevo 2 Mexican Restaurant, Red Lion Inn, Safeway Store #1556, Sharkbites Seafood Café, Smith's Bay Way Market, and Walt's Pour House be moved down from the consent calendar for separate consideration. Councilor Daily recused himself from the discussion declaring a conflict of interest stating he was the owner of Outdoor-In. Councilor Groth moved to approve the annual OLCC license renewals for 7 Eleven Store #2363, Bassett-Hyland Energy Company, Best Western Holiday Motel, Blackmarket Gourmet, Blue Heron Bistro, Captain's Cabin, Coach House, Coney Station, Inc., Empire Bakery, EZ Thai Restaurant, Fast Mart, Hair Co. Etc. Salon and Day Spa, Lighthouse Grocery-Deli, Margarita's Mexican Grill, Ma's Garden Restaurant, O'Bradi LLC, Oregon Coast Culinary Institute, Outdoor-In, Pueblo Nuevo 2 Mexican Restaurant, Red Lion Inn, Safeway Store #1556, Sharkbites Seafood Café, Smith's Bay Way Market, and Walt's Pour House. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Groth, Kramer, Leahy, and Vaughan voting aye. Councilor Daily abstained from the vote was deemed pursuant to the provisions of 2.8.4 of the Rules of the City Council to have voted with the majority which approved the motion.

### **Presentation of Retirement Plaques for Police Officer Randy Sparks and 9-1-1 Communications Supervisor Tia Akers**

Police Chief Gary McCullough thanked 911 Dispatch Supervisor Tia Akers for her 31 years of service and Police Officer Randy Sparks for his 16 years of service to the Coos Bay Police Department. Mayor Shoji presented Ms. Akers and Officer Sparks with appreciation of service retirement plaques.

### **Approval to Enter into Negotiations with NW Natural Gas for Consideration to Increase the Franchise Fee Rate**

City Manager Rodger Craddock stated the franchise agreement with NW Natural Gas contained a favored customer provision which required NW Natural Gas to notify the City of Coos Bay if they

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agreed to terms more favorable than the current franchise agreement with the City of Coos Bay. NW Natural Gas recently notified the City they had signed a new agreement with another entity, which included a franchise fee rate of 5.94% which was .94% higher than the City of Coos Bay's franchise fee rate of 5%. City staff sent a letter advising NW Natural Gas the City was interested in renegotiating the franchise fee rate in an effort to retain the rights contained within the agreement which would have expired before the June 21st Council meeting. Staff requested direction from the Council whether to enter into formal negotiations to increase the franchise fee rate from 5% to 5.94%; estimated to produce an additional \$10,000 in General Fund revenue. Councilor Daily moved to enter into negotiations with NW Natural Gas to increase the franchise fee rate from 5% to 5.94%. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

### **Approval of Recommended Exercise Equipment for John Topits Park**

Wastewater Project Engineer Jennifer Wirsing stated citizen Don Hynes met with the City's Park Commission on several occasions in 2015 to coordinate placement of several pieces of exercise equipment in John Topits Park. Mr. Hynes started a fund raising campaign to purchase the exercise equipment. In total he raised \$9,125 which included several donations and a \$7,000 Coquille Tribal Community Fund grant. On March 15, 2016, the City Council accepted the Coquille Tribal Community Fund Grant for the John Topits Park outdoor exercise equipment. The Parks Commission was directed to recommend what pieces to purchase with the available funds. The two pieces recommended by the Parks Commission were a two-person wheelchair accessible chest press and a four-person leg press. Purchase price for the two pieces was \$9,780, which exceeded the amount raised by Mr. Hynes by \$655. Should the Council wish to authorize the additional expense of \$655, staff recommended using funds budgeted in the Parks Improvement fund, materials and service line item for fiscal year 2017.

Ms. Wirsing noted Mr. Hynes vision was to have the various pieces of exercise equipment placed at approximately half mile intervals along the trail system in John Topits Park. The manufacturer and the Parks Commission recommended the exercise equipment be placed in one location. Staff also noted grouping the equipment would help to minimize installation and maintenance costs. Councilor Daily liked the overall concept but expressed concern about long term maintenance of the equipment. Councilor Vaughan inquired why the project was taking precedent over the Boardwalk project. Councilor Daily suggested developing a policy to create a process for receiving gifted items and address long term maintenance of such items. Councilor Groth inquired if there was space available to add additional equipment whereby Ms. Wirsing confirmed space was available. Councilor Brick moved to approve the purchase of the two outdoor gym work stations as recommended by the Parks Commission and to approve the additional expense of \$655. Councilor Leahy seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

### **Award of Contract for Construction Services for the Stormwater Line Along N. 4<sup>th</sup> Street**

Wastewater Project Engineer Jennifer Wirsing stated the old brick lined storm sewer manhole and wooden line aligned along N. 4th Street from Commercial Avenue to Central Avenue had failed. The 260-foot long segment was a 10" by 17" wooden box culvert and had multiple points which had failed. The failed line was located under a major thoroughfare which experienced high traffic volume and the system was tidally influenced. Because of these challenges, staff deemed

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the project an emergency and contracted with HGE, Inc. to prepare plans, specifications and to perform bidding and construction management services for this project. The request for bid was advertised April 19, 2016 and the bids were opened on May 31, 2016 at 2:00pm. A total of four bids (base, did not include alternative "B") were received: Billeter Marine, LLC - \$124,212.72, Johnson Rock Products - \$164,144, Knife River Materials \$170,654, and Benny Hempstead Excavation, Inc. - \$172,385.

Ms. Wirsing noted contractors were asked to provide bids on two alternatives, "A" and "B". Alternate bid "A" allowed for the potential for a 12-inch PVC pipe to be installed instead of the 15-inch pipe in the base bid with the elimination of one storm sewer manhole with the 8-inch sanitary sewer pass-through pipe. This option would be determined once the area was excavated and inspected by the City. Alternate bid "B" was to construct a new storm sewer manhole at N. 4<sup>th</sup> Street and Central Avenue instead of retaining the existing manhole and reconnecting and reconstructing existing base and flow channels. The City would determine if this option was necessary once the area was excavated and exposed. Ms. Wirsing stated Billeter Marine, LLC was the low bidder at \$124,212.72, in addition to \$7,500 for alternative "B"; total maximum bid of \$131,712.72. Because of other potential subsurface unknowns, staff recommended a 15% contingency of \$19,757 for a total amount of \$151,470. Councilor Groth moved to award the contract to Billeter Marine, LLC. for the N. 4<sup>th</sup> Street storm sewer improvement project for an amount not to exceed \$151,470 without prior approval from Council. Councilor Daily seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

### **Award of Contract for Engineering and Construction Services for the Blossom Gulch and 10<sup>th</sup> Street Sanitary Sewer Improvement Project**

Wastewater Project Engineer Jennifer Wirsing provided a brief history on the Blossom Gulch sewer line and emergency 10<sup>th</sup> Street sewer line replacement projects noting on April 5, 2016 the Council approved an addendum for HGE to move forward with combining the two project. The request for bid was advertised on June 10, 2016 and was due by June 23, 2016 at 2:00 p.m. Because the project was located adjacent to Blossom Gulch Elementary School the project needed be completed prior to September 6, 2016, which was the beginning of classes for the 2016- 2017 school year. Due to the time constraint, staff requested Council approval for construction based on the Engineer's estimate (prior to bids being received). If the results of the bids exceed the engineer's construction estimate, staff would present the costs to the Council prior to award. Ms. Wirsing stated HGE's construction management contract was \$30,285; their estimate for construction was \$373,095. Staff recommended a 15% contingency of \$60,507 for a total amount of \$463,887. Councilor Daily moved to approve the award for engineering services and construction for the Blossom Gulch and S. 10<sup>th</sup> Street sanitary sewer improvements for an amount not to exceed \$463,887. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

### **Consideration to Change Mingus Park Hours of Operation**

Police Chief Gary McCullough stated on November 1, 2011 the City Council approved having Mingus Park open 24 hours a day; prior hours were dawn to 11 p.m. Police Chief McCullough noted the Boardwalk and the City's two boat ramps were open 24 hours a day and all other City parks were restricted to day use only (dawn to dusk). Due to an increase of transient traffic and

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homeless camps in the wooded area of the park and increased vandalism, the Parks Commission recommended changing Mingus Park's hours of operation back to dawn to 11 p.m. City Manager Rodger Craddock stated staff would need to draft an ordinance to make the proposed change. Bill Burgher, Coos Bay: stated he supported changing the park hours and; stated a citizen group had recently started providing food to the homeless at the disc golf parking which resulted in them placing a sani-can portable restroom on site; supported feeding the homeless but felt the disc golf parking lot was not a favorable location. City Manager Craddock explained he received a citizen concern from Mr. Burgher's wife regarding a practice which was occurring near their home; a group of concerned citizens were meeting once a week to provide food to the homeless and questioned, given the location, if the activity promoted homeless camps. Additionally, since food was being provided bathroom facilities were required and was only supposed to be on site for the day and then removed, which did not occur. City Manager Craddock stated staff was looking at options to help the group to relocate to a better location. Police Chief McCullough recommended changing the hours to dawn to dusk. Consensus of the Council was to change the Mingus Park open hours to dawn to 10 p.m.

### **Consideration of an Ordinance Banning Smoking at the Visitor Information Center Campus**

City Manager Rodger Craddock stated there was growing concern over the increased litter and lack of cleanliness around the Coos Bay Visitor Information Center (VIC). The majority of the litter was discarded cigarette butts. Staff attempted to address the situation by installing trash / cigarette disposal receptacles on the south side of the VIC near the outdoor seating area, but the amount of trash had increased. Shannon Durkee, Coquille: stated she was the Tobacco Prevention Program Coordinator for Coos County; best practice research indicated one of the most effective ways to reduce tobacco use was to create smoke free environments; noted last year she responded to two indoor clean air act complaints associated with the VIC. Joe Monahan, Interim Director for the Coos Bay – North Bend Visitor Convention Bureau: stated he had an office at the VIC and had observed people at all hours of the day and night camped out all around the VIC; noted many of the VIC volunteers were not comfortable volunteering because they were often alone and did not feel safe; also suggested prohibiting overnight camping at the VIC to include the adjacent parking lots.

City Manager Craddock stated he spoke with staff at the VIC, Bay Area Chamber of Commerce (BACC), South Coast Development Council (SCDC), and the Downtown Association (DTA) about their thoughts in regards to making the VIC campus a non-smoking area. They were all in full support and requested the Council consider enacting an ordinance to ban smoking on City owned area around the VIC. Councilor Kramer suggested including the City Hall campus in the smoking ban ordinance. Councilor Vaughan stated landscape design was designed to support user groups; suggested the landscape design around the VIC was poor. Councilor Leahy suggested including the Pedway. Councilor Daily moved to ban smoking at all City parks and facilities. Councilor Kramer seconded the motion. Mayor Shoji inquired if there was a designated smoking area for city staff. City Manager Craddock stated currently there was an area under City Hall. A call for the question was made which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

### **Consideration of a November 2016 Gas Tax Ballot Measure**

City Manager Rodger Craddock noted the Streets Task Force was created in 2013 for the purpose of making recommendations to the Council for managing and financing street maintenance and

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provided a brief history on the Streets Task Force's prior recommendations. Based on consensus from the joint Coos Bay – North Bend Gas Tax Committee, a proposed ballot measure was presented for consideration to place a \$0.04 per gallon tax on all retail and wholesale gas and diesel sales; sales of fuel for PUC vehicles would be exempt. Ballot measure as proposed:

*Ballot Title: Motor Vehicle Fuel Tax for Street Repair*

*Ballot Question: Shall the City of Coos Bay adopt a 4 cents per gallon fuel tax dedicated to street maintenance and repair?*

*Ballot Summary: A "yes" vote approves creation of funding dedicated to street maintenance and repair through a 4 cents per gallon tax on motor vehicle fuels sold in Coos Bay. The tax is estimated to raise \$300,000 annually, and it will only be used for street repairs and maintenance. Funds collected by this tax will not be used for other street related improvements such as sidewalks, traffic signs, traffic signals, or city maintenance staff.*

*Vehicles subject to "weight-mile tax" (trucks over 26,000 pounds not required to pay diesel fuel tax) or having a "use fuel" (approved PUC tax exempt for diesel, propane, CNG or other fuel that is not gasoline) certificate will be exempt from the tax.*

Councilor Kramer inquired if the PUC tax collected by the State was re-allocated to the city whereby City Manager Craddock stated he did not believe the PUC tax was included in the distribution to cities. Councilor Daily stated he was opposed to the increase unless a maintenance schedule was developed for streets and the City made an effort to follow the schedule; suggested staffing levels needed to be reduced through attrition; staff salary and benefits were excessive. Councilor Groth stated she was in favor of approving the increased gas tax.

City Manager Craddock stated on June 14, 2016 the City of North Bend Council approved the recommendations of the joint Coos Bay – North Bend Gas Tax Committee. The following steps were required to move forward with the November 2016 ballot measure: approval of the recommendations of the joint Coos Bay – North Bend Gas Tax Committee; Council approval of ballot titles; formal filing of the ballot title; Council approval of the ballot question and ballot measure summary; formal filing of the ballot question and ballot measure summary.

Councilor Groth moved to approve the recommendations of the joint Coos Bay – North Bend Council Gas Tax Committee and to direct staff to draft the required resolution to place the proposed gas tax on the November 2016 ballot for Council consideration. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Groth, Kramer, Leahy, and Vaughan voting aye and Councilor Daily voting nay.

### **City Attorney's Report**

No comments were given.

### **City Manager's Report**

City Manager Rodger Craddock stated the City was approached by a local business owner with an offer to purchase new American flags to be displayed along the Boardwalk beginning Memorial

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Day through 4<sup>th</sup> of July. Councilor Daily moved to approve for the American flags to be displayed along the Boardwalk for the period beginning Memorial Day through the 4<sup>th</sup> of July each year and to accept local business owner offer to purchase new American flags. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

**Council Comments**

Councilor Leahy reminded the Council and community that Empire would be holding their annual Clamboree event on June 28<sup>th</sup>; Coos Bay Boat Building Center would also be holding an open house on June 28<sup>th</sup>. Councilor Brick announced he would not be running for his open position on the Council in the November election. Mayor Shoji stated she recently served on the Coos Bay – North Bend Water Board Budget Committee and stated it was very informative; reminded the Council and community about the 4<sup>th</sup> of July celebration in Mingus Park.

**Executive Session**

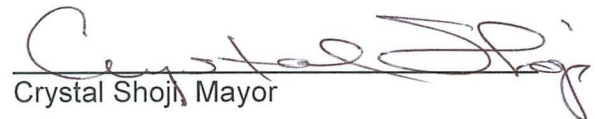
An executive session was held pursuant to ORS 192.660 (2) (e) for the purpose of discussing real property transactions. Councilor Kramer did not attend the executive session. No decisions were made.

**Adjourn**

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for July 5, 2016 in the Council Chambers at City Hall.

Attest:

  
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Susanne Baker, City Recorder

  
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Crystal Shoji, Mayor