

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

January 5, 2021

The minutes of the proceedings of a regular meeting of the City Council of the City of Coos Bay, Coos County, Oregon, held at 7:00 pm in the Council Chambers, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. Councilor Drew Farmer attended remotely by teleconference. Councilor Lucinda DiNovo was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Nichole Rutherford, Deputy Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, City Engineer Jennifer Wirsing, Fire Chief Mark Anderson, and Police Chief Gary McCullough. City staff attending remotely by teleconference was Library Director Sami Pierson.

6:00 pm - Council Interviews

Committee interviews were held in the City Hall Council Chambers. No decision was made.

Flag Salute

Mayor Benetti opened the meeting and led the council and assembly in the salute to the flag.

Public Comments

No public comments were made.

Public Comment Form

Jenny Holt, Coos Bay and Cindy Dickinson, Coos Bay stated concern over the proposed location of the homeless camp and requested a different area.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

3a: Approval of December 15, 2020 Minutes

3b: Approval of December 22, 2020 Minutes

3c: Ratify the Appointment of Planning Commissioner to the Parks Commission
Planning Commissioner Bill Davis was recommended to serve on the Parks Commission as a representative.

Councilor Kilmer moved to approve consent calendar as presented. Councilor Marler seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Miles. Absent: DiNovo.

Consideration of Appointments to the Budget Committee and Design Assistance Team

On January 5, 2021, the City Council interviewed applicants who wished to be considered for appointment or re-appointment on the Budget Committee and Design Assistance Team.

City Manager Rodger Craddock stated the City received three applications for appointments to the Budget Committee to fulfill two openings. Applications were received from Donald Dille, Sara Stephens, and Colleen Sutton. By action of Council ballot the Council appointed Colleen Sutton and Sara Stephens to the Budget Committee for three-year terms ending December 31, 2023.

Two applications were received for appointment to the Design Assistance Team to fulfill four openings; three terms ending December 31, 2020 and one resignation for term ending December 31, 2021. Applications were received from MJ Koreiva and Judith Lousier. By action of Council ballot the Council appointed MJ Koreiva and Judith Lousier to the Design Assistance Team for four-year terms ending December 31, 2024.

Consideration of Appointments to Homeless Workgroup

City Manager Rodger Craddock stated the City Council established a Homeless Workgroup on November 21, 2017, after holding an application process the Council appointed eighteen members to the committee on February 20, 2018. While the committee has not met since February 13, 2020 due in large part to COVID restrictions, they had met fourteen times in the previous two years. The committee was instrumental in the implementation of the following: Housing Receivership Ordinance, Exclusionary Ordinance, Creation of a Community Services Officer position, Vacant Property Registration Ordinance, Temporary Lodging Facilities Ordinance, Warming Shelter Policy, and a Property Watch Program. A number of the original committee members are no longer members of the committee or no longer in the position of the organization they represented. As such, on October 27, 2020, Council directed staff to set up an application process for persons interested in serving on the workgroup. After receiving a number of applications, the Council authorized Councilors Kilmer and Farmer, along with the City Manager, to review and interview the applicants in an effort to provide the Council a recommendation for workgroup appointment. Interviews were completed on December 29, 2020.

The recommended list of applicants were: Stephanie Kilmer-City Council, Drew Farmer-City Council, Kate Frame-School District 9, Leslie Terry-Elrod, Trish Jordan-Coos Health & Wellness, Melissa Cribbins-Coos County, Kathy Erickson-Congressman Defazio, David Milliron-City of North Bend, Chery Love-Empire, Stacy Dewater-Community Coalition of Empire, Leslie Lintner-Confederated Tribes, Lisa Mielke-Coquille Tribe, Jessica Howell-Homeless Community, Daniel Payne -Homeless Community, Catherine Salyers-Retired RN, Scott Cooper-Homeless Service Providers, Steve Plinski-Retired Attorney, David Navarro-ORCCA, and alternate Ashley Horath-ORCCA.

Councilor Marler moved to appoint / reappoint the recommended list of applicants. Councilor Miles seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Consideration of Initiation of Maxwell Right of Way Vacation

Public Works and Community Development Director stated the city received a right-of-way vacation request from Red Moon Development and Construction for the northernmost portion of Maxwell Road abutting tax lot 4000 and the Coos Bay / North Bend city limit line. This application was submitted in conjunction with a subdivision land use application in which the Planning Commission recommended approval on November 10, 2020. The proposal was to vacate an area of approximately 50 x 125 feet portion of the undeveloped Maxwell Road right-of-way which would become part of the private development. The private development would be accessed by a private drive connected to the City of North Bend's Connecticut Avenue off of Roosevelt Road, eliminating the necessity for the Maxwell Road right-of-way access. Comments were sought from all city departments with no objections received. Comments were also solicited from local utility companies with no objections received, but noted a twenty-foot utility easement was required and provided. As the vacation is within 1,000 feet of the shoreline, the city was required to seek input from the International Port of Coos Bay. The Port Commission considered and approved of the vacation application at their December 15, 2020 Commission meeting. The applicant has paid for the application fee. Approval of this vacation would add the property to the tax roll. Should the City Council initiate this vacation request, the public hearing to enact the ordinance for vacation would be scheduled for February 2, 2021.

Councilor Miles moved to initiate the vacation of the northerly approximate 125 feet of Maxwell Road right-of-way. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Consideration of Approval of Amendment #2 to the Civil West Engineering Eastside Safe Routes to School Construction Management Contract

Public Works and Community Development Director Jim Hossley stated in early November 2017, the Coos Bay School District passed a bond measure which included funding for construction of a new school at the Eastside School campus and upgrades to Millicoma Middle School. As there would be an increase in the number of students going to and from the schools, the city applied for and was awarded a \$2,000,000 Safe Routes to School Grant (SRTS) The project was to install ADA compliant sidewalk from the Coos Bay city limits along 6th Avenue and D Street to the school campus along with 4,000 feet of storm drain pipe and twenty-five pedestrian ramps. The completion of the project had been extended, with a revised substantial completion date of January 20, 2021; the original date for substantial completion was December 20, 2020. This extension was granted due to the slow start up of the project caused by COVID-19 pandemic and subsequent statewide shutdowns. This unforeseen event was out of the control of the contractor, as well as, hindered the ability to get materials delivered in a timely manner.

Civil West Engineering was contracted to do construction management services for the Safe Routes to School (SRTS) project and had requested an amendment to their contract. The purpose of this amendment was to perform the additional activities and tasks Civil West identified as necessary to provide construction management and inspection based on the additional working days requested by and granted to the SRTS project contractor, Knife River Materials. The Civil West amendment would cover the construction management and inspection for the additional thirty days.

Councilor Matthews moved to approve Civil West Engineering Safe Routes to School project construction management contract amendment #2 for an amount not to exceed \$19,000 for a total contract fee of \$160,500. Councilor Marler seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Public Hearing to Consider Enactment of Ordinance Amending Park Hours

Public Works and Community Development Director Jim Hossley stated currently the city boat ramps in Empire and Eastside were open 24 hours a day. Over the years, visitors to the boat ramps had enjoyed the flexible hours of operation the city had allowed at these facilities. The increase of the homeless population frequenting and camping at the Empire Boat Ramp had created increased accumulation of trash and increased use of, and vandalism to, the restroom facility. This had resulted in a major expenditure to the city to maintain facilities on a constant basis. The impact to city resources was compounded given the requirement under the Governor's COVID 19 direction that the restrooms were to be sanitized at least twice daily. Since the boat ramps were open for 24 hours, ideally, they would be cleaned more frequently. With the ramps open 24 hours per day, the Police Department had limited ability to trespass. The Parks Commission and staff recommended the hours of operation at both the Empire and Eastside boat ramps be reduced to 5:00 a.m. to 10:00 p.m.

The city currently spends \$672 per week to clean all open public restrooms. To keep the boat ramp restrooms clean and in compliance with the Governor's COVID 19 direction, an additional \$525 per week would be required just on the boat ramp restrooms alone. Council discussed at the December 15, 2020 meeting and directed staff to prepare an ordinance revising the boat ramps' hours of operation.

Mayor Benetti opened the public hearing. No comments were made and the hearing was closed.

Councilor Marler moved to enact an ordinance amending Ordinance 248, Regulating Activities and Uses Within the Coos Bay Park System, as amended by ordinance numbers 534, 476, 458, 428, and 296. Councilor Kilmer seconded the motion. Deputy Finance Director Melissa Olson read the ordinance by title only and Ordinance 535 was enacted by the following vote:

Aye: Benetti, Farmer, Kilmer, Marler, Matthews, Miles.

Nay: None.

Absent: DiNovo.

Consideration of Adopting a Policy for Reduced Street Standards

Public Works and Community Development Director Jim Hossley stated on December 22, 2020, City Council directed city staff to prepare a policy and resolution for Council's consideration to authorize staff to approve deviations from city street construction and design standards on a case-by-case basis. The resolution and policy would authorize staff, consisting of the City Manager, Fire Chief, and Public Works Director together, to consider and approve deviations from existing city street construction and design standards. Current construction and design standards for a residential road included a requirement for 28' to 36' of pavement that included two 10' travel lanes plus room to accommodate parking on one or both sides of the street. Curb and 5' sidewalks were also required on each side of the street.

These standards may be difficult to meet due to topography, existing utilities, cost, and other variables. Per the proposed policy, deviation from street construction and design standards would typically be limited, but not exclusively, to residential streets and only to those serving fifty or less single-family residences. Some suggested minimum standards: paved width no less than 12', but recommended no less than 20'; provide 5' wide gravel shoulders; minimum 2" paved surface; minimum 6" of aggregate base; no curb, gutter, or sidewalk; no deviation from hammerhead or bulb turnaround standards; install "No Parking" signs; and strategically located 25' x 8' turnouts at approximately 200' intervals. When considering deviations to current standards and the minimum standards suggested in this policy, city staff would at a minimum consider public safety, impacts to adjacent properties, street drainage, existing utilities, and expected / existing traffic load.

Councilor Farmer exited the teleconference at 7:24 p.m.

Councilor Kilmer moved to adopt Resolution 21-01 establishing a policy for reduced street construction and design standards. Councilor Miles seconded the motion which carried. Ayes: Benetti, Kilmer, Marler, Matthews, Miles. Absent: DiNovo, Farmer.

Discussion Regarding Next Steps for Jacobs' Wastewater System Operations and Maintenance Contract Amendment 4

Public Works and Community Development Director Jim Hossley stated per the direction from Council at the December 1, 2020 Council meeting, staff was implementing the transition to self-perform the operations, maintenance, and management (O&M) of the wastewater collection system. At the December 22, 2020 Work Session, Council discussed options for the next step as it related to the O&M of the sewer system. Council requested staff investigate costs for three options. Option One: Hybrid Option – Jacobs perform O&M of treatment plants and pump stations (\$2,322,849) and the City self-perform O&M of the collection system (\$712,002) for a total cost to the City of \$3,034,851. Option Two: Jacobs Option – Jacobs perform O&M of the entire sewer system (including collections) for a total cost of \$2,423,085. Option Three: City Option – City self-perform O&M of the entire sewer system (collections, treatment plant, and pump stations) for a total cost that ranged from \$2,509,813 to \$2,687,599.

City staff worked with Jacobs to obtain costs for Options One and Two. Jacobs stated they could further reduce their cost for the Hybrid Option if city vacuum trucks could be available for emergencies and/or scheduled activities. They further stated they would honor the 11% management fee for the remainder of the contract. Currently the contract was for a ten-year term and Fiscal Year Ending (FYE) 2022 (Amendment 4) was year five of the contract term. Therefore, including FYE 2022, there were six more years the 11% management fee would be honored.

The Hybrid Option involved the city only self-performing the collections portion of the sewer system in FYE 2022 and continue with Jacobs for O&M of the treatment plants and pump stations. City staff determined a budget of \$712,002 would be needed to self-perform the O&M of the collections system. Jacobs proposed to reduce their overall contract by \$91,000 which would put Amendment 4 (FYE 2022) at \$2,322,849. This option had a total cost of \$3,034,851. While Jacobs did offer to negotiate their Amendment 4 further, it did not appear this option was cost effective.

The Jacobs Option assumed they would continue to perform O&M services of the entire

sewer system including collections, treatment plants, and pump stations. This option had a total cost of \$2,423,085 and assumed seventeen full time employees.

The City Option involved the city terminating the Jacobs' contract and self-performing O&M services for the entire sewer system. The option had a cost range of \$2,509,813 to \$2,687,599. The reason a range was provided for the City Option was it was unknown at which step each employee would be brought in at. The high range assumed the top step but had not been common practice therefore, for a more realistic comparison, staff utilized a step four salary structure for the entire seventeen full time employees; exempt employees have six steps and non-exempt employees have seven steps.

The Jacobs Option appeared to be the lesser of the three but there were other considerations that should also be factored. Having a contract operator, regardless of who that was, would always pose transparency problems. The contract operator had a company to answer to and often times this was what drove their decision-making process, rather than considering what was best for the city. There had also been deferred maintenance on our system. Much of the maintenance could not be ignored anymore as it had serious impacts to the system and the cost to repair this now, as opposed to performing routine maintenance over the life of the project, was significantly more. An example of this was the recently submitted Jacobs' FYE 2022 list of projects. These projects were deemed necessary by Jacobs in order to meet permit and keep up the system, contractually this list was due every year to the City. Staff used this list to budget Fund 3. The projects on the list are each greater than \$10,000, as this would fall under Jacobs' repair budget, and less than a capital improvement project. This year Jacobs proposed over \$1,000,000 in projects and staff had never seen a budget this high proposed by Jacobs. When reviewing the list of projects, many of them could be attributed to deferred maintenance. As examples, these projects included broken and failing pipes on the headworks and primary clarifier at Plant 1, portions of Plant 1 administration building roof in "disrepair", hypochlorite building at Plant 1 needed door and window replacement with a full plumbing overhaul, and replacement of failed pumps (these pumps have been down for numerous years unbeknownst to city staff).

While there were other reasons, the deferred maintenance, compounded with the fact that Jacobs had difficulty retaining staff at all levels, were reason enough to consider this private-public partnership no longer working to the benefit of the city. While initially, it appeared the operations and maintenance costs would be more than if managed by the city, there were other costs that were difficult to calculate that would compensate for the increased self-perform costs: vested interest by city in-house staff, money stayed in Coos Bay, city had full access to records at all times, and decisions could be made with city's, not a corporation's, best interest in mind.

City staff had discussed next steps extensively, and while staff acknowledged Jacobs had made significant improvements, were frustrated the city had to get to this point multiple times in order for the improvements to happen. The city had taken drastic measures to make Jacobs perform their contractual obligation (performed third party audits at the city's expense, issued several notice of breach letters, hired consultants to prepare transition plans and explore the city's options, and lastly self-perform the collections O&M because Jacobs' service had been so poor). While staff understood the immense challenge associated with self-performing both the collections and operations O&M, staff assured Council if they decided to self-perform the O&M of the entire asset, staff was up to the challenge, and felt strongly they had the right resources and support in-house, and had

external consultants currently in place to make this transition successful.

Paul Rheault, Jacobs Senior Operations Director, stated he returned to Jacobs five months ago, was getting up to speed on the project, staffing was currently an issue in the industry and were intent on working on filling positions. The President and Regional Manager were committed to providing resources for the project, and hoped the city would stay with Jacobs, but would help with a transition if that was Council's decision. Councilor Marler stated this was a difficult decision, citizens depend on the water in the bay to be clean and have lost their trust in that, relied heavily on city staff to receive input, and reiterated how frustrated the Council had been with Jacobs. Councilor Kilmer stated transparency was a high priority of the Council, asked why the city could not get the data needed or in a timely manner, and felt Jacobs had only been reactionary not proactive with Plant 2 issues which was new. Mr. Rheault stated he was unsure what data the city was not receiving, would like a list of items, and he had been involved in recent routine inspections resulting in proactive results. Councilor Miles stated Jacobs had sent multiple representatives and Council can no longer make the same decision expecting different results. Councilor Farmer stated he believed the city had asked for and not received historical data on plant performance and expectations of repair schedules, Jacobs requested a cost increase without increased performance, and didn't feel the city could continue with Jacobs. City Manager Rodger Craddock stated it had been difficult to get proposed budgets, maintenance plans, exceedances had been a question if operational, design, or influent issue, with additional costs to do outside studies with delays getting raw data, delays getting data on-time to make decisions, turnover had been difficult, had to believe staffing issues were due to compensation as the city had not had issues obtaining and retaining employees, and had a recent discussion with DEQ regarding violations that the city would be issued fines.

Councilor Farmer wished for the city to take over all operations. Councilor Miles stated it didn't appear feasible to only take on collections, council expectations were increasing, and wanted to move forward with the city taking over all operations. Councilor Kilmer stated there was a break in the confidence with Jacobs, supported staff, and suggested citizens review the cost analysis attached to the agenda item online. Councilor Marler stated although partners for twenty years, trust was eroded more recently, trusted city staff, and sympathized with Mr. Rheault coming in new to hear the frustration again. Councilor Matthews stated citizens put in a significant investment, didn't believe there were controls in place currently, city needed detailed reporting with discretion to make changes, trusted staff to have the communities health and safety in mind, and wanted the city to have full control. Mayor Benetti stated there was no faith and trust with Jacobs any longer, thought it was time for the city to take on responsibility, and it was time to move forward taking on all operations. City Manager Rodger Craddock stated per the Council's direction, believed Council could exercise the 180-day no fault termination option in the current amendment.

Councilor Farmer moved to authorize staff to provide Jacobs a 180-day written notice of cancellation. Councilor Matthews seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

City Manager's Report

City Manager Rodger Craddock stated the city received grant funding from the state for implementation of House Bill 2003 and 2001 for \$110,000, a joint meeting with Planning Commission was scheduled for March 9, 2021 regarding the housing pre-production strategy and comp plan development changes, and a Homeless Workgroup meeting was

scheduled for January 28, 2021.

Council Comments

Councilor Matthews stated excitement having Homeless Workgroup meetings scheduled again. Councilor Marler stated on January 1, 2021 had to use the new water line service insurance and was told in Coos Bay over last twelve months had replaced twenty-four sewer laterals, thirty repairs to interior plumbing, and repaired fifteen water service lines from street to homes for a total of \$75,000 spent on covered repairs. Councilor Kilmer stated she serves as Council liaison on the Coos Bay Downtown Association board of directors, invitations for virtual annual meeting went out, ballots went out for board of directors due January 21, 2021, and positive side of COVID had been people becoming more active and volunteering in the community. Councilor Miles thanked all the staff involved with wastewater and willingness to take it all on, looked forward to the improvement the city can make, and recognized the Fire Department for helping with the Community Coalition of Empire tree lighting. Mayor Benetti thanked Council and staff for 2020, Council was always willing to step up to take on tough issues, and thanked everyone for all their hard work.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for January 19, 2021. These minutes were approved as presented by City Council on January 19, 2021



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder