

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

January 19, 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 Drew Farmer, Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. Councilor Lucinda DiNovo was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Deputy Finance Director Melissa Olson, Fire Chief Mark Anderson, Police Chief Gary McCullough, and Deputy Police Chief Chris Chapanar. City staff attending remotely by teleconference was Finance Director Nichole Rutherford.

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

Jody Phillips, Coos Bay stated the only mandate in location of a dispensary should be distance from a school.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

- 3a: Approval of January 5, 2021 Minutes
- 3b: Acceptance of December 2020 Check Registers
- 3c: Acceptance of December 2020 Financial Reports
- 3d: Approval of Community Development Block Grant Signature Authority for Individual Project Environmental Clearances.

In 2020, the Council authorized City participation in a regional Community Development Block Grant (CDBG) housing rehabilitation program (Program) with NeighborWorks Umpqua (NWU). Currently, the Program requires the City Manager sign each environmental clearance form submitted for each of the approximately thirty-five individual home repair projects funded by the Program in Coos Bay, Reedsport and Coos County.

Business Oregon advised the City Manager's review and signature authority for

environmental clearance forms may be delegated by Council resolution to a "certifying officer". In the interest of efficiency and value of City Manager time, a resolution was presented for Council consideration naming the Community Development Administrator, as the "certifying officer".

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

Presentation of Retirement Plaque for Police Captain Cal Mitts

Mayor Joe Benetti stated the presentation of the retirement plaque for Police Captain Cal Mitts was postponed to a future date.

Consideration of Approval of a Financing Agreement with Ameresco for the Street Light Upgrade Project

Finance Director Nichole Rutherford stated the City engaged the services of AMERESCO to undertake a feasibility study of upgrading the street lighting infrastructure to LED technology. The assessment revealed the annual cost to operate the nearly 1,200 streetlights within the city was \$200,414. The estimated annual savings, if those lights were upgraded to LED technology was initially estimated at over \$55,547. However, with the recent release of a revised Pacific Power rate schedule, the cost savings has increased to an estimated \$100,000. The cost to update the streetlight infrastructure to LED is estimated at \$762,827. The simple payback, without maintenance savings, was originally estimated to be around fifteen years, with the revised Pacific Power rate schedule, the repayment term is twelve years. Though with full utilization of the estimated savings, full repayment could be in ten years, but staff has negotiated repayment period of twelve years, to allow for potential unknown fluctuations, such as a revised rate schedule from Pacific Power.

On February 18, 2020, the feasibility study was presented to Council who authorized AMERESCO to complete an inventory and audit of the City's street light infrastructure to produce more accurate project cost and potential savings. The inventory and audit were complete and results were presented to Council on October 27, 2020. Staff negotiated with Ameresco to provide private funding of this LED upgrade project, using the estimated \$100,000 annual utility cost savings for repayment of projects costs over a twelve-year period at 4.5% interest. Annual repayment of a little over \$83,000 would be due at the end of each year, with the balance of the savings (\$20,000) to be reserved for future projects or future rate schedule changes. Some other items of note: the KWH savings per year equate to 734,146 KWH; the first repayment would be scheduled for August 1, 2022, allowing for accumulation of savings during construction period through the first payment date (first payment due is slightly higher because of this, at \$105,495), and the City would likely be eligible for an energy credit which was estimated at \$22,000. The project was expected to be fully underway this summer, with potential completion by September/October 2021, the costs associated with this project, including the estimated annual savings of utility costs, and annual repayment of financed project costs would be included in the subsequent FY 2022-2023 budget.

Councilor Marler moved to approve the financing agreement with Ameresco and authorize the City Manager to sign the agreement on behalf of the City of Coos Bay. Councilor Miles seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Consideration of Approval to Perform Utility Upgrade during Night Hours

City Manager Rodger Craddock stated Charter/Spectrum has a franchise agreement with the City for the use of City right-of-way for their fiber installation. Charter/Spectrum was in the process of installing over-lashing fiber on Bayshore (Hwy 101 North), Broadway (Hwy 101 South), Kingwood Ave, and Commercial Ave and requested authorization of night time work. ODOT approved permit application for night hour construction on Hwy 101 (Bayshore and Broadway was ODOT jurisdiction). Charter/Spectrum requested authorization from the City to work at night on two streets within the City's jurisdiction (Kingwood and Commercial). The work includes running overhead fiber throughout their pole structure in these noted areas. There are two 5' x 5' sidewalk panels that will be removed and replaced as a result of the work.

Councilor Kilmer moved to authorize Public Works Department to issue a one time, night hours right-of-way permit to Charter/Spectrum for Kingwood Ave and Commercial Ave fiber install. Councilor Farmer seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Public Hearing for Adoption of Fiscal Year 2020-2021 Supplemental Budget - Would Require Adoption of Resolution 21-02

Finance Director Nichole Rutherford stated it was anticipated during the fiscal year that several supplemental budgets would be brought forward to council for consideration to adjust the budget based upon operational needs. Reasons for a supplemental budget include appropriating grant funding not included in the budget, appropriating additional carryover balance from the prior fiscal year that was more than budgeted and is needed to meet operational needs, reallocating funds within categories, and appropriating new unexpected revenues. The City of Coos Bay has complied with the provisions of ORS 294.471 and 294.473 by publishing a notice at least five days before the meeting date that a public hearing would be held to discuss a supplemental budget at the upcoming council meeting, holding the public hearing and accept public comments regarding the supplemental budget, and adopting a resolution that states the need, purpose, and amount of the appropriations included in the supplemental budget. This supplemental budget contains changes to appropriations in several of the City's funds, mostly due additional carryover than originally anticipated during the 2020-2021 budget process. Several funds have also received CARES federal other financial assistance awards, and some funds have received unanticipated grant funds. Each of these unanticipated resources require a supplemental budget process to appropriate these funds.

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

Councilor Marler moved to adopt Resolution 21-02 to approve a supplemental budget. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Adoption of Resolution 21-03 Approving an Intergovernmental Agreement (IGA) between the City of Coos Bay and Urban Renewal Agency for Du Jour Financing

Finance Director Nichole Rutherford stated there were two methods to expend urban renewal tax increment revenue on debt service, one of which involves obtaining conventional financing through bonds or a bank loan. This process involves the use of financial advisers, bond attorneys, and a Request for Funding (RFF) to solicit bids for financing and other financing costs. This conventional bond or loan process provides a large amount of tax increment revenue to expend on typically long-term capital projects within the urban renewal plans. The second option is an overnight loan process, Du Jour financing, from the City of Coos Bay which is a substantial cost savings in financing fees and other related costs over the conventional process. As stated in ORS 457 and the Oregon Constitution, as well as confirmed by the City's Urban Renewal Agency Consultant Elaine Howard and the Association of Oregon Revitalization Agencies (AORA), tax increment urban renewal revenue can only be spent on debt service. To convert the tax increment urban renewal revenue received by the urban renewal agency (agency) into debt service, the agency initiates a loan from the city and immediately repays the debt service in a Du Jour financing. The loan proceeds received by the agency then become available to be expended on capital projects as set forth in the plan areas and as adopted in the current year budget. To complete this process, an Intergovernmental Agreement between the city and the agency, along with resolutions are presented to the city council and agency board for approval.

Councilor Kilmer moved to adopt Resolution 21-03 to approve an Intergovernmental Agreement between City of Coos Bay and the Urban Renewal Agency of the City of Coos Bay and authorize up to \$1,352,889 in Du Jour financing budgeted to fund planned projects of which \$452,963 will be for the Empire District and \$899,926 for the Downtown District. Councilor Marler seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

Approval of the Urban Renewal Agency Annual Financial Report for the Fiscal Year Ended June 30, 2020

Finance Director Nichole Rutherford stated Oregon Revised Statue (ORS) 457.460 requires a financial impact statement (annual financial report) for the urban renewal agency (URA) to be filed with the governing body of the municipality each year, as well as, provided directly to the overlapping taxing districts. The presented annual URA financial report for fiscal year ended June 30, 2020 was in addition to the required URA budget and the URA financial statement audit which were previously accepted by the URA Board. Components of the annual financial report included the following: the amount of property tax revenue received (tax incremental and special levy) and indebtedness incurred during the preceding fiscal year; the purposes and amounts for which the money received were expended during the preceding fiscal year; an estimate of the amount of property tax revenue to be received and indebtedness to be incurred during the current fiscal year; a budget summary setting forth the purposes and estimated amounts for which property tax revenue and indebtedness incurred are to be expended during the current fiscal year; an analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all overlapping taxing districts; and the details on the URA's maximum indebtedness including total maximum indebtedness, total used through the end of the preceding fiscal year, and amount remaining.

Councilor Farmer moved to approve the annual financial report for the fiscal year ended June

30, 2020. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, Farmer, Kilmer, Marler, Matthews, Miles. Absent: DiNovo.

City Manager's Report

City Manager Rodger Craddock stated staff was working with consultant on wastewater transfer takeover scheduled for July 6, 2021, staff would begin to meet weekly, and confident would be able to complete transfer in time; homeless workgroup meeting was scheduled for January 28, 2021 with in person and remote access to the meeting; North Bend City Council began working on their goal setting, City of Coos Bay also moving forward, believed value in seeing what another consultant could bring the city, contacted cities for recommendations on who they have used; budget calendar was sent out with first meeting scheduled for April 15, 2021; and have been working with Coos Bay History Museum on process to pick a consultant to assist with design work on plaza.

Council Comments

Councilor Farmer encouraged everyone to be safe and looked forward to the Homeless Workgroup meeting. Councilor Matthews thanked the Finance Director for all reports received and was great to see how much happened in Urban Renewal area. Councilor Marler stated was grateful for competent staff, community moved into extreme again and hoped it would go back down soon for the restaurants to open, and good to see so much happening and moving forward. Councilor Kilmer encouraged everyone to look at the Urban Renewal Financial Report, appreciated staff, excited for Homeless Workgroup meeting, Operation Giftcard event "Show the Love" was scheduled for January 23, 2021, it was a good time to stay home with takeout, and ballots for Coos Bay Downtown Association Board were due January 21, 2021 with open committees looking for volunteers. Mayor Benetti stated gift card program "Show the Love" was scheduled for January 23, 2021 with over 1,700 gift cards available, thanked all the participants of the program, Urban Renewal has been successful and wanted to get more information out on façade grants, and Coos Bay Council was invited to participate with City of North Bend on January 19, 2021 for National Moment to Memorialize the over 400,000 lives lost to COVID-19.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for February 2, 2021. These minutes were approved as presented by City Council on February 2, 2021.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder