

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

May 4, 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. This was a joint meeting of City Council & Planning Commission.

Those Attending

Those present were Mayor Joe Benetti and Councilors Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. Councilor Lucinda DiNovo attended remotely by teleconference. Councilor Drew Farmer 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, Building Codes Administrator Amy Linder, Fire Chief Mark Anderson, and Deputy Police Chief Chris Chapanar. City staff attending remotely by teleconference were Library Director Sami Pierson and Community Development Administrator Carolyn Johnson.

Planning Commission members present were Chairperson Amy Aguirre and Commissioner Rex Miller. Commissioners attending remotely by teleconference were Jim Berg, Bill Davis, Jeff Marineau, and Josh Stevens.

Flag Salute

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

Public Comments

Annie Velazquez, Coos Bay stated she has opened a new business, Master Blaster of Coos Bay; services included wet blasting for residential, commercial, and industrial surface preparation and paint removal.

Public Comment Form

No public comment forms were received.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

3a: Approval of April 20, 2021 Minutes

3b: Approval of April 27, 2021 Minutes

3c: Consideration of Appointment to the Homeless Workgroup

The Council established a Homeless Workgroup (HWG) on November 21, 2017, and eighteen members were appointed to the committee on February 20, 2018.

By the end of 2020, a number of the original committee members were no longer members due to various changes. An application process for persons interested in serving on the workgroup was completed, and Councilors Kilmer and Farmer, along with the City Manager, reviewed and interviewed the applicants, with recommendations made at the January 5, 2021 Council meeting. The Confederated Tribes of Coos, Lower Umpqua, & Siuslaw Indians requested Leslie Lintner, the current appointed HWG member, be replaced by Andrew Brainard.

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

Approval of Building Safety Month Proclamation

Building Codes Administrator Amy Linder stated for the last 41 years, the International Code Council (ICC) celebrated advances in constructing safe, sustainable, affordable and resilient buildings and homes. The ongoing support of Building Safety Month and the important role code officials play in public safety in the built environment has come from U.S. presidents, governors, mayors, county executives, other government officials and construction industry professionals. The ICC, its 64,000 members, and a diverse partnership of professionals from the building construction, design and safety communities come together with corporations, government agencies, professional associations and nonprofits to promote building safety through proclamations, informational events, legislative briefings and more. All come together to support Building Safety Month because of the understanding for the need of safe and sustainable structures where we live, work and play. All communities need building codes to protect their citizens from disasters like fires, weather-related events and structural collapse. Building codes were society's best way of protecting homes, offices, schools, manufacturing facilities, stores and entertainment venues. Code officials work day in and day out to keep the public safe. This year's campaign themes are: Energy Innovation May 1-9, 2021; Training the Next Generation May 10-16, 2021; Water Safety May 17-23, 2021; and Disaster Preparedness May 24-31, 2021. Ms. Linder read the Proclamation.

Councilor Miles moved to proclaim the month of May Building Safety Month in the City of Coos Bay. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

Public Hearing on Coos Bay Comprehensive Plan (CBCP) and Coos Bay Development Code (CBDC) Amendments Related to HB 2001 Housing Requirements and Support of Economic and Commercial Development

Mayor Joe Benetti welcomed the Planning Commission and stated the joint Planning Commission and City Council public hearing was on the Housing Advancement Project (HAP). The project included analysis of existing housing and land use policies, strategies, and regulations and proposed three separate amendment ordinances to the Comprehensive Plan and Development Code.

Community Development Administrator Carolyn Johnson stated the purpose of the public hearing was to provide the public and the Planning Commission with an opportunity to comment on three ordinances brought before the governing bodies. If the ordinances

presented were enacted, the modified and new land use policies and regulations would support Oregon House Bill 2001 (HB 2001), Oregon House Bill 2003 (HB 2003), and Council's economic and commercial development goals. HB 2001 was an Oregon legislature approved bill, now Oregon law, that provided directive to cities to provide housing choices people could afford, promote more housing types, and modify local land use policies and regulations to remove housing barriers. HB 2003 required cities with over 10,000 population to update local Housing Needs Analysis (HNA), which Coos Bay completed in 2020, and prepare/adopt a housing production strategy with specific actions to promote housing development to address housing needs identified in the HNA, a portion of that work was completed as part of the HAP. Supplemental report providing further information and HAP survey summary were part of the agenda packet and were presented to Council.

Rachel Dorman, Lane Council of Governments (LCOG), stated the first ordinance (Ordinance A) if enacted, would amend Coos Bay Comprehensive Plan (CBCP) policies related to HB 2001. The ordinance would also amend the Coos Bay Development Code (CBDC) to specifically target areas of the city where housing was a primary use, the city's definitions and procedures to process land use permits with greater efficiency, and other amendments to meet the intent of HB 2001.

Zach Galloway, LCOG, stated the second ordinance (Ordinance B) if enacted, would support HB 2001 efforts with a variety of criteria and regulations around housing types and elements of housing development: locations, layout, ownership and rental options, etc. Mr. Galloway also presented recommended revisions to Ordinance B to related to Low Density Residential (LDR) and Medium Density Residential (MDR).

Ms. Johnson stated the third ordinance (Ordinance C), if enacted, was peripherally related to housing but included modifications to the CBDC supporting economic and commercial development. On April 6, 2021, Council authorized evaluation of these amendments for a public hearing and Planning Commission review.

Funded by a Department of Conservation and Land Development, grant with matching City funds, planning consultants from the LCOG, KBG, and the Community Development Administrator have developed, along with the Housing Advisory Committee (HAC), the subject amendments. 3J, another grant funded consulting firm, worked with LCOG, KBG, staff and HAC to identify multiple housing strategies consistent with the requirements of House Bill 2003, many of these have been included in the ordinances. Work on this project began in September 2020, and to date has been advertised on the City's web site, made available to the Fair Housing Council, the local housing trust fund group, a legal ad in The World newspaper on April 23, 2021, housing stakeholders in the community, DLCD with a thirty-five-day notice, multiple Friday Newsletters, and the City's Facebook page. Kristen Taylor, LCOG, spoke on amendment themes, topic areas, standards, objectives, examples, and changes, as presented within the three ordinances.

Public Works and Community Development Director Jim Hossley read the Municipal Code criteria applicable to the amendments consistent with Oregon land use law and stated testimony, arguments, and evidence introduced at the public hearing must be directed accordingly. Mr. Hossley asked if anyone believed other Comprehensive Plan or Coos Bay Development Codes were applicable to identify those criteria and introduce evidence relevant to that criteria. Failure to raise an issue accompanied by statements or evidence

sufficient to afford the Planning Commission, City Council, and others an opportunity to respond to the issue precludes an appeal to the Land Use Board of Appeals based on that issue.

Mayor Benetti asked if the City Council or Planning Commission had any ex-parte contacts or bias related to the Housing Advancement Project to declare. There were no ex-parte contacts or conflicts of interest. Final action on these ordinances would be considered by City Council on May 18, 2021. Mr. Benetti introduced Planning Commission Chair Amy Aguirre who introduced the Planning Commissioners attending virtually.

Mayor Benetti opened the public hearing. Jim Kingsley, Coos Bay, asked if the City was going to build public housing, own, and rent out housing directly. Mayor Benetti stated the city was not going to be building public housing, this was to allow more housing to be done per state law. The public hearing was closed.

Commissioner Miller moved to recommend approval of Ordinance A as presented by staff. Commissioner Marineau seconded the motion. The motion was approved by the following vote:

Aye: Aguirre, Berg, Davis, Marineau, Miller, Stevens.

Nay: None.

Absent: None.

Commissioner Miller moved to recommend approval of Ordinance B as presented by staff. Commissioner Marineau seconded the motion. The motion was approved by the following vote:

Aye: Aguirre, Berg, Davis, Marineau, Miller, Stevens.

Nay: None.

Absent: None.

Commissioner Marineau moved to recommend approval of Ordinance C as presented by staff. Commissioner Stevens seconded the motion. The motion was approved by the following vote:

Aye: Aguirre, Berg, Davis, Marineau, Stevens.

Nay: Miller.

Absent: None.

Council took a break at 7:56 p.m. and reconvened at 8:00 p.m.

Consideration to Approve Agreement with Pacific Power for Art Wraps Project

Public Works and Community Development Director Jim Hossley stated the Coos Bay Downtown Association (CBDA) approached the City with the desire to transform common utility boxes in the downtown area into distinctive works of art in an effort to create a more vibrant and attractive streetscape. The purpose of the proposed agreement was to establish the parameters for installation, maintenance and removal of artistic applications selected by the city and to be placed on certain transformers and utility boxes ("Box" or "Boxes") owned by Pacific Power (PAC) and located within the city. For the purposes of this agreement, an

art wrap was defined as the application to a Box of an adhesive and weather-resistant material to affix an artistic impression upon such Box for the general enjoyment of the community. Alternatively, a wrap may be a hand-painted artistic impression upon a Box. Based on negotiations with Pacific Power (PAC), the owners of the utility boxes, and per the proposed agreement, the city and/or our assigned (CBDA) would establish a process to govern the review, selection, approval and documentation of wraps. PAC would be consulted during the evaluation process and prior to any wrap installation. The City would agree to acquire appropriate art, which would be non-offensive in nature; did not advertise or promote a specific business, political party or agenda; did not promote a specific religion; and was consistent with adopted city policies. PAC reserved the right to deny any intended wrap for any reason. The proposed agreement further stated the City would be responsible for installation, maintenance, and cost of wraps. The proposed agreement also acknowledged the City may assign its rights and obligations with regard to management of the art wraps program to a third party, including, but not limited to the CBDA. Such assignment would not alter or affect the rights and obligations as between the city and PAC under the terms of the propose agreement. There are similar public art programs in many other cities, examples were provided to the Council. Councilor Kilmer stated CBDA was excited for this project and intended for it to be a net zero for the City.

Councilor Marler moved to authorize the City Manager to finalize and enter into the City Arts Wrap Agreement with Pacific Power. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

Consideration of Approval to Initiate Division Avenue Right of Way Vacation Request

Public Works and Community Development Director Jim Hossley stated City staff recommended vacating the undeveloped portion of Division Avenue between Lakeshore Drive and Patrick Avenue. It was unlikely the street would ever be developed due to topography. Staff contacted property owners abutting the proposed vacated right-of-way and no objections were raised. Pacific Power would have an easement to access overhead utilities. Should Council initiate the vacation, staff would bring the vacation ordinance for a public hearing and Council consideration on June 1, 2021. If the vacation was approved it would add additional property to the tax roll.

Councilor DiNovo moved to initiate the vacation of a portion of Division Avenue between Lakeshore Drive and Patrick Avenue. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

Consideration for Award of Contract for the Plant 1 Headworks Project

Public Works and Community Development Director Jim Hossley stated the City contracted with Jacobs to prepare 30% design for the Phase 1-Plant 1 Upgrade project. During the 30% design, a condition assessment was performed. The condition assessment yielded the Plant's headworks were not functioning properly without constant operator attention, and the screening process was not adequate. A headworks is the first component in a treatment plant that removes the large organic and inorganic solids from the effluent. The engineer recommended immediate replacement of the headworks. Based on the engineer's recommendation, the headworks replacement was removed from the Phase 1-Plant 1 Upgrade and separate plans and specifications were prepared. Bids were opened on April 6, 2021. Five bids were received. However, one of the bidders did not have the appropriate qualifications in their bid packet. This was deemed a major irregularity and per Oregon

Statute their bid was rejected and not opened. The other four bidders submitted both of the required qualifications. As a result, the City received four responsive bids. Due to the technical nature of this project, in addition to the standard Oregon Department of Transportation qualifications that are typically required in any wastewater project, the bidding instructions also asked for documentation from the bidder for their experience with construction of treatment plants and headworks for the last five years.

Upon review of the bids received, the engineer reviewed the four bidders' qualifications related to construction of treatment plants and headworks. Unfortunately, the two lowest bidders did not have the necessary qualifications. Therefore, the engineer recommended that the bid be awarded to the third lowest responsible bidder, Stettler Supply Company, for a bid amount of \$331,821. City staff agreed with the engineer's recommendations and recommended a 15% contingency. The engineer's estimate was a range from \$450,000 - \$500,000. A notice of intent to award was sent to all bidders, with the understanding the project would not be awarded until the project received Council approval. The notice of intent was done prior to Council approval, so if a bidder wanted to protest, they had an opportunity. There were no protests submitted and the seven-day period in which they could had expired. To avoid this type of situation in the future, for the projects requiring this special type of qualifications, the bids would have a "pre-qualification" requirement. During the advertisement, contractors would be required to submit a pre-qualification packet per the bidding instruction. If the engineer approves the pre-qualification packet, then the contractor would be eligible to submit a bid. This would extend the advertising period, but would avoid accepting bids from contractors who are not qualified to do a project. The funds for this project would come from the Wastewater Improvement Fund 29, WW Emergency/Unplanned Projects account 29-810-530-3010.

Councilor Kilmer moved to award the contract for the Plant 1 Headworks project to Stettler Supply Company for \$381,594, which includes a 15% contingency. Councilor Marler seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

Consideration of Approval to Adjust Sewer User Rates – Approval Would Require Adoption of Resolution 21-10

Finance Director Nichole Rutherford stated the City's wastewater rate consultant recommended a 5.5% rate increase for next fiscal year. The recommendation was based on evaluation of the city's forecasted wastewater operations and maintenance (O&M) costs for next fiscal year together with proposed construction projects and debt service. The City of Coos Bay Budget Committee concluded the FY 2021-2022 budget meeting on April 15, 2021 with approval of the proposed budget which included a 5.5% increase in sewer user rates. In order to implement the sewer user rate adjustment commencing with the June 2021 billing cycle, Resolution 21-10 would need to be approved. The sewer fee portion on the Coos Bay-North Bend Water Board billing would increase, based upon the rate study average use of 560 cubic feet per household, approximately \$3.95 per month. The revenue would provide funding for O&M, sewer line replacements, pump station rehabilitations, storm drain repairs, and the capital improvements planned for next fiscal year. Last year's rate increase was 5.5%. The wastewater user fees are used to operate and maintain (O&M) the city's two wastewater treatment plants, two dozen pump stations, and ninety miles of sewer mains. It is rare for a city the size of Coos Bay to have two wastewater treatment plants or as many pump stations. The user fees were also used to pay debt service on loans for capital improvements to replace or refurbish the treatment plants, pump stations, and sewer mains.

The City used a rate consultant to recommend the necessary rate increases to pay for O&M costs, capital debt service costs, and the cost of upcoming capital projects. Some of the upcoming projects associated with this recommended rate increase include wastewater treatment plant 1 upgrade final design, several sewer line and storm line repair projects, and sponsorship option water quality projects that include green parking lots and cleanup of the old Englewood School site. By steadily raising wastewater user fee rates annually over the past several years, City Council has not had to implement a steep rate hike spike in order to ensure adequate funding for the wastewater system. By anticipating the future debt service for these upcoming projects, we could continue to avoid steep spikes in future sewer rate increases. A comparison of rates from other communities, along with a history of rate increases, were provided to Council. Approving the resolution would provide the Coos Bay-North Bend Water Board time to change their computer programming and provide a full twelve months of billings at the adjusted rate. The adjustment was projected to provide \$370,000 in additional sewer fee revenue next fiscal year over the sewer fee revenue for the current fiscal year.

Councilor Marler moved to adopt Resolution 21-10 adjusting sewer user rates, charges, and fees. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

City Manager's Report

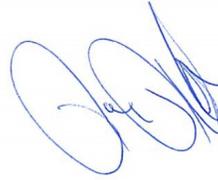
City Manager Rodger Craddock stated the street lamp conversion infrastructure project had begun, fifty-seven lights were replaced on Bayshore, and anticipated the roughly 1,300 light project would be completed August 2021; were eight weeks out from taking over the wastewater system, had filled top five positions, and interviews setup for remaining positions; less than sixty days left of active duty for Police Chief McCullough, then Deputy Police Chief Chapanar would become Police Chief, additional openings filled were Sergeant Lindahl promoted to Captain, and Officer Henthorn was promoted to Sergeant on May 4, 2021; and Council Goals were scheduled to come back to council for discussion on May 25, 2021.

Council Comments

Councilor Matthews stated Coos County has moved to moderate restrictions and was excited to see us trending in a good direction. Councilor Marler stated ballots were out, was on the school bond oversight committee and gave a Coos Bay Schools bond update, and thanked citizens and City staff for being supportive and very helpful during the projects. Councilor Kilmer thanked Councilor Marler for his report, stated to continue on the lessening COVID restrictions trend to continue all needed to be vigilant and get vaccinations, and the Farmer's Market would be open starting May 5, 2021 with continued COVID restrictions. Councilor Miles stated the Coos Bay Public Library booth at the Farmer's Market would be giving out books on May 5, 2021, and thanked Fire Chief Anderson and Fire Department for re-hanging the flags at the Boys and Girls Club. Mayor Benetti stated state of Oregon was out of extreme status, hoped Coos County would be moving to low restrictions soon, and was excited for the Farmer's Market opening.

Adjourn

There being no further business to come before the council, Mayor Benetti adjourned the meeting. The next regular council meeting was scheduled for May 18, 2021. These minutes were approved as presented by City Council on May 18, 2021.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder