

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

April 21, 2020

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 attending remotely by teleconference were Mayor Joe Benetti and Councilors Lucinda DiNovo, Stephanie Kilmer, Phil Marler, and Rob Miles. Councilors Drew Farmer and Carmen Matthews were absent. City staff attending remotely by teleconference 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, and Fire Chief Mark Anderson.

Flag Salute

Mayor Benetti opened the meeting.

Public Comments

No public was in attendance and no comments were provided online.

Public Comment Form

City Manager Rodger Craddock read public comments provided by Joseph Monahan, manager of Holiday Best Western. Mr. Monahan requested Council consider lifting Resolution 20-07 passed on April 1, 2020, which asked each operator of short-term lodging facilities to voluntarily agree to refrain from providing short-term lodging to all but a few stipulated conditions, and allow the county resolution and future decisions to regulate the businesses. Mr. Craddock stated the county's resolution was a mandate and superseded the council's resolution. On April 21, 2020, county commissioners discussed relaxing some restrictions. Janice Langlinois, Director of the Coos Bay-North Bend Visitor and Convention Bureau (VCB) told Mr. Craddock she supported both actions taken by city council and county commissioners, and future easing of restrictions, as long as changes included some measure of safety and security. Mayor Joe Benetti stated he and Mr. Craddock spoke with County Commissioner Melissa Cribbins on April 21, 2020, who noted county commissioners would hold a meeting on April 22, 2020 to discuss the effects of reopening the state parks; Ms. Cribbins shared if the parks were to be reopened then lodging could be reopened as well with possible dates of April 28, 2020 or May 5, 2020. Mayor Benetti felt there should be stipulations for reopening to feel comfortable, wanted lodging facilities to offer masks to staff and guests with a description on social distancing, and stated if county lifted lodging restrictions the city only had a voluntary requirement.

Councilor DiNovo asked if lodgings with pools and spas would be addressed by the county. Mayor Benetti stated the city should issue a letter to the county with this request. Mr. Craddock stated Oregon Governor mandate supersedes the county regulations at this time, and if the county did not put restrictions in place the council could implement their own

resolution. Councilor DiNovo asked if the county extended the order to May 15, 2020, or let it expire on April 28, 2020, would the county put a new order in place specifying masks and social distancing. Mayor Benetti stated his understanding was the county was lifting the ban and if the city had concerns that no restrictions would be put in place they needed to be voiced to the county in a letter. Mr. Benetti stated the county was looking at lifting the ban as counties that had no restrictions on lodging have had an increase in positive cases. Councilor Kilmer cautioned as the city, was a destination, would have an influx of travelers if everything opened up, and needed to be cautious. Councilor Miles stated the numbers were not accurate as parks and beaches have been closed so would not really know what was going to happen.

Mr. Benetti stated it was difficult to mandate masks to be worn, have looked at asking stores to give masks to customers as they come in and how many masks would be needed to do so, worked with Zonta and Rotary to purchase 50,000 masks at cost with intent to get 75% of cost back from FEMA. The city could purchase 10,000 masks, provide for purchase to lodging facilities and stores, and should arrive within seven days. Councilor Kilmer asked if we asked the county to mandate restrictions on PPE gear for lodging facilities, why not stores also. Mayor Benetti stated masks for guests at lodging facilities and stores would be difficult to enforce, but asking to give to guests, as not always able to social distance. City Manager Rodger Craddock stated the difference between lodging and stores was lodging was for guests mostly from out of the area and those shopping at stores are mostly local.

Councilor Miles stated the council passed the resolution due to concern of an influx of people from the valley into the community, for the health and safety of the citizens, and asked what had changed so this was no longer an issue. Mayor Benetti stated nothing had changed, but if the state opens the state parks it would become an issue and this would be the next step. Councilor DiNovo stated there needed to be more tests in the area and asked what conversations were being had regarding testing before opening back up to visitors. Mr. Craddock stated we didn't have all the guidelines from the Governor and did not know the capacity of the state regarding tests, but guidelines indicated ability to reopen required concurrence from hospital CEO that there was adequate PPE supplies and capacity, and concurrence from public health officer, with approval from county commissioners.

Councilor Marler requested at this time nothing mandated, continue to take time to be thoughtful, state has low numbers, had to be a coordinated effort with the county and state, ask to give out and provide masks, and not make assumptions, but wait for more information. Councilor DiNovo stated she felt more comfortable with a May 15, 2020 date by the county, April 28, 2020 felt rushed, but until there was more testing in the area did not feel comfortable opening up with no restrictions. Councilor Kilmer stated the council could have a special meeting if more information came to light that could harm business. City Manager Rodger Craddock stated based on council discussion they sounded hesitant to rescind the resolution, would share their concerns with the county commissioners, and would revisit lifting restrictions with regulations at the May 5, 2020 council meeting.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

- 3a: Acceptance of March 2020 Check Registers

3b: Acceptance of April 7, 2020 Minutes

3c: Acceptance of March 2020 Financial Reports

3d: Approval of Letters of Support for HB 2001 and HB 2003 Allocated Funds for Development of a Housing Implementation Plan and an Update to the Comprehensive Plan Housing Element and Development Code

The city had the opportunity to apply for grant funding from two grants available through Oregon Department of Land, Conservation and Development (DLCD). The work that would be undertaken if these grants were awarded was required by the State of Oregon with the 2019 passage of House Bills 2001 and 2003. DLCD is the state agency administering the grants based on funding allocation for the requirements specified in each bill. With the letters of support, the grant awards would enable preparation of:

- A Housing Implementation Plan as a result of state legislature funding allocation related to House Bill 2003 with \$30,000 grant funding to be requested.
- Comprehensive Plan/Housing Element and Development Code amendments to identify and memorialize housing policies and implementation regulations to enable the development community to build more housing in Coos Bay. State legislature funding allocation related to House Bill 2001 would be the \$85,000 grant funding application source.

A financial grant match was not required for either grant application; however staff time would be included in the value of each project for grant application purposes.

3e: Approval of an U.S. Housing and Urban Development Section 3 Plan and Limited English Proficiency Policy

In October of 2019, council authorized a Neighbor Works Umpqua (NWU) Community Development Block Grant (CDBG) application to fund a Regional Housing Rehabilitation Program (Program) for the cities of Coos Bay and Reedsport, and Coos County. The CDBG application period was now open until April 30, 2020. The application submittal must include a Section 3 Plan (Plan) and a Limited English Proficiency (LEP) Policy (Policy).

Regarding the Plan – Federal law established by the Housing and Urban Development (HUD) Act of 1968, within Section 3, require when HUD funds were used, priority was to be given to low and very low-income individuals, residing in the community where the funds are to be spent, to provide economic opportunities for these individuals. The CDBG grant funds for which the council authorized an application in October of 2019, could not be funded absent a Plan, to assure that the regulatory requirements of Section 3 were being met. NWU, collaborating with the city on the CDBG application, prepared the Plan. The Plan was reviewed by city staff and accurately reflected the requirements of federal law. For the city to submit a complete CDBG grant application, a resolution must be adopted authorizing the Plan.

Regarding the Policy – Federal law also requires a CDBG grant application to

include a Policy to serve those in the community that may need language assistance in order to access federal assistance programs and services. Prior to funds being released to the city from the CDBG grant, a resolution authorizing the Policy must be adopted.

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

Public Hearing to Consider Amending Development Code Section 17 - Approval Would Require Enactment of the Proposed Ordinance

Mayor Benetti announced Agenda Item #4, Ordinance 524, was removed from the agenda.

Approval of Amendment 2 for the Jacobs Contract for the Operation, Maintenance and Management of the City's Wastewater System

Public Works and Community Development Director Jim Hossley stated the city entered into a five (5) year contract with an option to renew an additional five (5) years with Jacobs (formally OMI) for the operation and maintenance of the city's wastewater asset in June 2017. Each year an amendment was processed to document changes in the contract language and increased operating costs for the operation and maintenance of the city's wastewater asset. Typically, the amendment is negotiated and approved prior to the start of the fiscal year. For fiscal year ending 2020 (Amendment 2), Jacobs did not provide the city with language until recently. As a result, and in conformance with the June 2017 contract, the city had been paying Jacobs the agreed upon price in Amendment 1. If Amendment 2 was approved, the city will reconcile these costs and bring the contract current per the conditions in Amendment 2.

There were two key changes proposed in Amendment 2. The first relates to the sludge lagoon. Jacobs, at their costs, had hired a contractor to remove sludge and haul to a land fill in an effort to increase the capacity/storage in the lagoon. On average, the combination of both treatment plants generated between 400 and 500 dry tons (DT) of sludge a year. Jacobs proposed to remove no less than 400 DTs with this effort. It was anticipated Jacobs will also land apply to local farms and remove the volume that was generated this past year plus 10% (as per the contract). Staff had informed Jacobs they wanted to review the contract and craft language that better tracks the land application efforts. It was anticipated this language would be reflected in Amendment 3.

The second change to the Amendment 2 is related to their Base Fee. The Base Fee is comprised of several fees: Direct Cost, Management, Repairs, and Repairs Management. Per the contract, if the city and Jacobs cannot agree then the maximum increase that can occur to the Direct Cost fee is based on the Consumer Price Index. For Amendment 2, this number was 3.14%. This number was implemented for the purposes of Amendment 2. The Direct Cost Fee increased from \$1,405,212 to \$1,448,141.49 (3.055% increase which is a little below the allowable increase). A breakdown for Amendment 2 is as follows: Direct Cost Fee \$1,448,141.49, Management Fee \$260,665.47, Repairs \$179,693.00, Repairs Management Fee \$32,344.74, for a total Base Fee of \$1,920,844.70.

If council approves Amendment 2, staff would move forward with negotiations for Amendment 3. It is anticipated that Amendment 3 would be more robust and include language that would address council's contractual concerns that were presented at the January 14, 2020 work session. City Manager Rodger Craddock stated the proposed budget for fiscal year 2020-2021 included a contract management position at the city, with current negotiations with Jacobs on Amendment 3 which included council's requirements such as better oversight of contract, more responsiveness from Jacobs, additional training for personnel, better management of sludge lagoon, all for better performance and contract adherence. Council discussed the need and additional cost of needing a position to oversee Jacobs to ensure the contract was adhered to.

Jacobs' Vice President Efrain Rodriguez stated he understood council's frustrations, recognized the issues Jacobs should have managed better, had started making adjustments to gain ground, and working on regaining confidence of the council.

Councilor Marler moved to approve Amendment 2 for an amount not to exceed \$1,920,844.70. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Miles. Absent: Farmer, Matthews.

City Manager's Report

City Manager Rodger Craddock stated the July 4th in the Park celebration, organized by Coos Bay Fire Auxiliary, was to be cancelled, but the planned fireworks would continue. The Safe Routes to School construction was scheduled to start the week of April 27, 2020 and staff negotiated a change order regarding the retaining wall which reduced the contract price by \$116,000. The 4th Street reconstruction project was tentatively scheduled to begin May 20, 2020 and would work around festivals. The American Building owner hired a contractor to do brick work on facade, while work was needed it did not address the major issues previously discussed with the owner and his representative. The owner's representative stated the owner would resist any attempt by the city to declare the American Building a nuisance under city code; due to the abundance of evidence, City Attorney Nate McClintock was directed to proceed with scheduling a hearing with the hearings officer to decide if issues should be mitigated, with uncompleted work requiring city mitigation and necessity to bill owner for mitigation costs, and lien on property if costs unpaid. Council's replacement tablets would be available April 22, 2020 and councilors should schedule a time to meet with Executech team member and pick up tablet at city hall.

Council Comments

Councilor DiNovo thanked the staff for their work to be able to have a virtual meeting and stated her concern over the lack of COVID-19 testing in the area requesting Mr. Craddock to include it in the letter to the county commissioners. Councilor Miles asked if awards were given out even though Fireman's Banquet was cancelled. Fire Chief Mark Anderson stated no awards were given. Councilor Kilmer thanked staff, wanted to see more testing in the area, and stated Coquille Valley Hospital was doing testing to identify COVID-19 antibodies for anyone in the public to find out if they had exposure to the virus. Mayor Benetti thanked staff for hard work during a difficult time, stated we could always do more to stay safe and control the virus so we can open the economy back up.

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 5, 2020 in the council chambers at city hall.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder