

# **MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL**

**December 22, 2020**

The minutes of the proceedings of a City Council and Urban Renewal work session of the City of Coos Bay, Coos County, Oregon, held at 5:30 pm in Council Chambers, 500 Central Avenue, Coos Bay, Oregon.

## **Those Attending**

Those present were Mayor Joe Benetti and Councilors Drew Farmer, Stephanie Kilmer, Phil Marler, and Carmen Matthews. Councilors Lucinda DiNovo and Rob Miles were 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, Police Chief Gary McCullough, and Deputy Police Chief Chris Chapanar. City staff attending remotely by teleconference were Library Director Sami Pierson and Community Development Administrator Carolyn Johnson.

## **Flag Salute**

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

## **Public Comment**

No public comments were made.

## **Public Comment Form**

No public comment forms were received online.

## **Review of Agenda Items for the Upcoming City Council/URA Board Meetings**

### **Discussion of Homeless Camp Proposal by the Devereux Center**

Tara Johnson of the Devereux Center presented a Homeless Camp Proposal to be located on the old Wastewater Treatment Plant #2 site at the end of Fulton Avenue in the Empire District with an initial twelve camp sites, twenty-four hour on-site security, utilities on site, on site case management, admission through the Devereux Center with referrals, and no after-hours admissions. Ms. Johnson provided the Devereux Center budget, homelessness statistics, program modeling, campground rules, and services to be provided. Council discussion ensued; noted was concern of the location due to the residential area and exposure to the elements, requested other various locations to be explored, proposal to go before the Homeless Workgroup for recommendation, and discuss options with the City of North Bend. City Manager Rodger Craddock stated city staff would check with the state on available funding sources through the Community Development Block Grant (CDBG) Cares Act Fund, ask the city's realtor of record if there were any industrial vacant lots for sale for consideration should there be CDBG funds, and put the program on the Homeless Workgroup for later January 2021. Mr. Craddock stated there may need to be two sites, one for the camping and one for safe parking of vehicles.

## **Discussion Regarding Facade Grant Program Changes**

Community Development Administrator Carolyn Johnson stated the 1988 Downtown Urban Renewal Plan included seven objectives to revitalize the businesses and the built environment in the downtown core. These included: pursue building restoration including facades and second floors; target storefront program to specific building clusters within the downtown; encourage residential development on second floors and mixed-use development in the area; develop site specific pro-formas for mixed/use development; evaluate potential areas where city could assist developers; evaluate, and if feasible, provide elevator loans/grants; and evaluate, and if feasible, provide sprinkler loans/grants. The Empire Urban Renewal Plan provided similar objectives. Over the years, the Facade Improvement Grant program had proven to be successful and the URA had extended funding opportunities for larger downtown buildings beyond the limitations of the program. City staff researched programs available in other communities and conferred with Elaine Howard, the City's Urban Renewal Agency consultant, on building improvement programs in URA districts statewide.

The City Council identified the examination of the Urban Renewal Agency's (URA) Facade Improvement Grant Program as a part of the fiscal year 2020-2021 economic development goals. City staff presented options to the Coos Bay Downtown Association (CBDA) in the Spring of 2020 and CBDA provided a letter of support for a variety of program changes including funding for: building fire/life/safety improvements; permanent landscaping, irrigation, and hardscape; housing financial incentives to develop housing as a secondary use; fund designer or architectural services up to a certain dollar amount; and addition of a loan component to the program. Ms. Johnson shared ideas to further incentivize redevelopment in the Downtown and Empire URA areas by considering options to change to the façade grant program rules, process and focus, and explore benefits of a loan program. Council discussion of potential additional changes included increased grant ceiling limits and match requirements. Council consensus for city staff to move forward with presented changes to bring back for Council review.

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

Public Works and Community Development Director Jim Hossley stated at this time, per the direction from Council at the December 1, 2020 Council meeting, city staff began implementing the transition to self-perform the operations, maintenance, and management (O&M) of the wastewater collection system. Related to the O&M of the treatment plant and pump station operations portion of the wastewater system, there were at least three options to consider for fiscal year ending 2022: continue with Jacobs and negotiate an Amendment 4 to only include operations of the treatment and pump stations, advertise a request for proposal for another contract operator, or self perform the O&M for both treatment and collections. Mr. Hossley provided pros and cons for each option:

Vested Interest – A contract operator always had to report back to their corporate office, which had the potential to cause a conflict of interest. Self-performing the O&M would eliminate this issue.

Budget – Historically, a contract operator had been able to perform O&M duties at a less expensive cost than if self-performed. However, due to the recent contract increase, this was

no longer believed to be true with the city's current contract operator. There was no way to predict if costs would be less expensive if another contract operator was solicited.

Records – The contract operator was the keeper of records. It was often difficult obtaining these records. Self-performing would allow this information to be readily accessible.

Employee Development – Contract operators had established training programs in place and vetted. The city would have to develop these programs.

Regulatory – The city was the permit holder and ultimately responsible for all regulatory reporting regardless if there was a contract operator.

New Capital Improvement Projects (CIP) – Often, the contract operator had an insight to how the system works. This insight could have positive impacts on CIPs with respect to design and avoiding safety concerns. However, reviewing plans and attending design meetings could take time away from their other contractual duties and often the contract operator did not provide the most needed input until the project was under construction or completed which caused change orders and/or additional costs.

Maintaining Wastewater Asset – There was no guarantee a contract operator would do this. Self-performing O&M could significantly minimize deferred maintenance.

Risk – A contractor assumed fiscal responsibility if permit violations occur that were preventable. Most contractors had already established safety programs, had a deep bench of operators, and were highly insured. However, the city was ultimately the permit holder and thus always responsible in the eyes of the regulator.

City staff discussed what option best suited the city's needs, and while acknowledging Jacobs had made significant improvements, the city had to get to this point multiple times in order for the improvements to happen. The city had to take drastic measures to make Jacobs perform their contractual obligation: performed third party audits at the city's expense; issued several notices of breach letters; hired consultants to prepare transition plans and explore the city's options, and 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 decide to self-perform the O&M of the entire asset, staff was up to the challenge, felt strongly they have the right resources and support in-house, and have external consultants currently in place to make the transition successful.

Council discussion and consensus for the city to take over the full operation of the systems. City Manager Rodger Craddock stated staff could bring to council the current budget for fiscal year 2021-2022, budget with the city taking over collections, and the city taking over full operation for review.

### **Discussion Regarding Street Standards and Gravel Roads**

Public Works and Community Development Director Jim Hossley stated there were three items for Council consideration related to the city's residential streets serving fifty dwelling units or less: investigate new reduced standards for paved streets, create standards for gravel roads, and consideration of paving gravel streets with existing street maintenance

funds as gravel streets compete with existing paved streets for funding. Mr. Hossley provided to Council new standard considerations such as reduced pavement thickness from four inches of asphalt with a base of eight inch thick rock to two inches of asphalt with six inches of base rock, reduced street widths, allow for more gravel roads to promote development, to pave gravel roads to the reduced standards suggested, and the flexibility for Council to deviate from standards on a case-by-case basis. Additionally, Council was provided a proposed street repair list for 2021. Council discussed concern of reducing current standards; consensus for flexibility for deviations, not to increase the number of gravel roads, and the possibility of paving some of the current gravel roads.

**Adjourn**

There being no further business to come before the council, Mayor Benetti adjourned the work session. The next regular council meeting was scheduled for January 5, 2021 in the council chambers at city hall. These minutes were approved as presented by City Council on January 5, 2021.



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Joe Benetti, Mayor

Attest: Nichole Rutherford  
Nichole Rutherford, City Recorder