

# MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

June 7, 2022

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 Council President Rob Miles and Councilors Lucinda DiNovo, Stephanie Kilmer, and Sara Stephens. Mayor Joe Benetti and Councilor Carmen Matthews attended remotely by teleconference. Councilor Drew Farmer was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Assistant City Manager Nichole Rutherford, Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, Water Quality Engineer Stephan Stys, Fire Battalion Chief Jeff Adkins, Police Chief Chris Chapanar, and Library Director Sami Pierson.

## **Flag Salute**

Council President Miles opened the meeting and led the council and assembly in the salute to the flag.

## **Public Comments**

Mike Vaughan, Coos Bay gave an update on the mural project stating some delays due to rain and invited the Councils from Coos Bay and North Bend. Also offered some grant writing or other volunteer work for the boardwalk project.

## **Public Comment Form**

No public comment forms were received.

## **Consent Calendar**

Council President Miles reviewed the consent calendar which consisted of:

3a: Approval of May 17, 2022 Minutes

3b: Approval of May 24, 2022 Minutes

3c: Adoption of Resolution 22-11 Extending Workers' Compensation Insurance Coverage to City Volunteers

As a member of the City County Insurance Services (CIS) local government insurance risk pool, members are required to pass a resolution each fiscal year to extend workers' compensation insurance coverage to volunteers.

3d: Adoption of Resolution 22-12 Authorizing Inter-fund Borrowing & Loans

An inter-fund loan between funds allows for vendors to be paid on a timely basis while awaiting reimbursement or tax receipts.

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

### **Approval of Juneteenth Proclamation**

City Manager Rodger Craddock stated with President Abraham Lincoln's signing of the Emancipation Proclamation on January 1, 1863, the United States embarked on a path to end slavery, drawing closer to the great tenet within the Declaration of Independence that "We hold these truths to be self evident, that all men are created equal, that they are endowed by their creator with certain unalienable Rights, that among these are life, liberty, and the pursuit of Happiness." Following the Emancipation Proclamation over two and a half years later, word finally reached areas of the South and Southwest, ultimately providing knowledge of the Proclamation and end to slavery. Major General Gordon Granger announced the end of the Civil War and slavery on June 19, 1865 in Galveston, Texas; this date thereafter known as Emancipation Day. Since that date, communities across the nation have celebrated 'Juneteenth' a time of reflection, remembrance, and recommitment to those same "self-evident truths", guiding efforts of equity, equality and justice. Library Director Sami Pierson read the Juneteenth Proclamation.

Councilor Stephens moved to approve the proclamation designating June 19, 2022 as Juneteenth. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens. Absent: Farmer.

### **Public Hearing to Consider Enactment of Ordinance to Vacate Right-of-Way for a Portion of North 8th Street**

Public Works and Community Development Director Jim Hossley stated the City received a right-of-way vacation request from, TIRED ROSE, LLC a developer who wants to develop the property adjacent to the area of vacation into a multi structure commercial development. The applicant requested a vacation of 30' x 100' portion of right-of-way on NE 8th Street at Teakwood Avenue west of Tax Lot 400; west edge of the property. Council initiated the vacation process for said portion of North 8<sup>th</sup> Street on May 3, 2022. The City of Coos Bay requested the developer dedicate 20' of right-of-way for a distance of 317.85' on North 8th Street on the northerly portion of tax lot 500. This dedication would be a condition of the land use process for the proposed development. The resulting loss of property has removed developable land for two 15,000 sf. tenants that was proposed for the site. The proposed vacation would aid in developing the balance of the property and would assist in making up for the loss of land with the 20' dedication on the north. City departments and utility providers reviewed the request and had no objections. Because the vacation area was within 1,000 feet of the bay, the International Port of Coos Bay was also required to approve. The Port Commission approved the request at their May meeting. The applicant submitted and paid for the application fee. Approval of the vacation would add the property to the tax roll.

Council President Miles opened the public hearing. No public comments were made. The public hearing was closed.

Councilor Stephens moved to enact the ordinance to vacate a portion of North 8<sup>th</sup> Street adjacent to block 5 of the "Plat H Addition to Marshfield". Councilor Kilmer seconded the motion. Finance Director Melissa Olson read the ordinance by title only, "An Ordinance

providing for the vacation of a portion of N. 8th Street, located in Plat H addition to the City of Marshfield in the Northeast 1/4 of the Southeast 1/4 of Section 22, Township 25 South, Range 13 West, Willamette Meridian, Coos County, Oregon.” and Ordinance 556 was enacted by the following vote:

Aye: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens.

Nay: None.

Absent: Farmer.

### **Approval of Upgrades to the 2014 Water Quality TV Van**

Water Quality Engineer Stephan Stys stated a major duty performed by the Water Quality Division’s collection crew was investigating sanitary sewer and storm. This was accomplished with a video camera. In 2014 the city purchased a vehicle outfitted with video investigation capabilities. While the cameras and cables were only eight years old, the environment in which this equipment is utilized can be harsh and does affect the useful life and, as with most technology, due to the age of the equipment, it was now unsupported by the manufacturer. The vehicle was still functional; however, staff recommended replacement of the video equipment. According to Section 6.o of Resolution 22-02, Amending Public Contracting Rules, the Oregon Public Contracting Code does not apply to this type of upgrade equipment purchase, however where practicable, competitive quotes shall be obtained.

Staff reached out to three vendors and had each of them demonstrate their equipment and associated software. The three quotes obtained are as follows: Qcues for \$161,271.00, True North Equipment for \$159,355.16, and SWS Equipment for \$235,219.92. While it was hard to compare these three quotes, due to differing technology, components, and software options, staff’s preferred vendor was Qcues. In looking at the quotes, it was not the lowest price, however, the Qcues software did not have a limit on the number of licenses that could be utilized on desktops and tablets; whereas, the True North Equipment was only for one license and any additional licenses would cost \$5,747.50 each. It was anticipated at least three additional licenses would be needed which would cause the quote from True North Equipment to exceed the Qcues quote. In an eight year life cycle the costs were similar. Purchasing this equipment allowed the collection crew to continue investigating and archiving the recording of the sewer system which helps identify deficiencies needing corrective action. The upgrades would be purchased through the Water Quality Fund 3, shared between the Vehicle line item from Plant 1 (351), Plant 2 (352), Collections/Sanitary (353), and Collections/Storm (355).

Councilor DiNovo moved to approve the upgrades to the 2014 TV Van in an amount not to exceed \$161,271. Councilor Stephens seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens. Absent: Farmer.

### **Public Hearing to Consider Enactment of Ordinance Establishing the Fats, Oils & Grease Policy and Pretreatment Device Funding Program**

Water Quality Engineer Stephan Stys stated at the February 22, 2022 work session, city staff presented the proposed Fats, Oils & Grease (FOG) ordinance. The FOG ordinance included an exception to requiring a FOG pretreatment device for food service establishments based on polar oil loading. City Council appeared to be in favor of the proposed ordinance aside from allowing for an exception to requiring a FOG pre-treatment

device based on the establishments polar oil loading being less than 100 mg/L. When city staff discussed this further, it was thought since this discharge was allowable under Coos Bay Municipal Code 13.15.030.(5) that a more stringent criterion would not be in keeping with the current municipal code. Because of this, it was recommended this exception remain in the final FOG ordinance. During the same work session, city staff also presented the proposed FOG pretreatment program. The program was proposed to reimburse businesses that installed a pretreatment device because of the ordinance, over the course of three years. City Council believed that the reimbursement should happen after the device was installed. The new proposed program would reimburse businesses within thirty days of city staff receiving proof the pretreatment device installation contractor had been paid. Funds to cover the pretreatment device funding program would come from the Water Quality Fund 3. It was estimated this would cost between \$315,000 to \$375,000 in FYE 2023.

Council President Miles opened the public hearing. Mr. Stys provided Council with a letter provided from Blue Heron, Shark Bites, and Coney Station requesting to amend the mandate to not require having grease traps professionally cleaned. No public comments were made. The public hearing was closed.

Councilor DiNovo moved to enact the FOG ordinance and pretreatment device funding program. Councilor Kilmer seconded the motion. Finance Director Melissa Olson read the ordinance by title only, "An Ordinance establishing a Fats, Oils, and Grease Management Program and amending the Coos Bay Municipal Code by adding Chapter 13.25." and Ordinance 557 was enacted by the following vote:

Aye: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens.

Nay: None.

Absent: Farmer.

### **Public Hearing on the Use of Revenue Sharing Funds - Approval to Accept the Funds Would Require Adoption of Resolution 22-13**

Assistant City Manager Nichole Rutherford stated The State of Oregon allocates 14% of state liquor receipts quarterly to Oregon cities based on a formula as outlined in ORS 221.770, better known as "state revenue sharing". The state distribution was in addition to the 20% of the state's liquor receipts allocated on a monthly basis. The 14% state revenue sharing was allocated on a formula basis that compares the city's consolidated property tax rate, per capita income and population against statewide averages. The City of Coos Bay received \$189,146 in fiscal year 2019-20; budgeted to receive \$170,000 in fiscal year 2020-21, and have received \$158,597 of that amount to date; and budgeted to receive \$175,000 in fiscal year 2021-22. On average, the city receives \$50,000 per quarter. A portion of the funds are used for community contribution grants. In order to participate in the Oregon State Revenue Sharing program a public hearing was required to be held before the Budget Committee and the City Council. A public hearing before the Budget Committee was held May 12, 2022. In accordance with ORS 221.770, a public hearing before the City Council was scheduled for June 7, 2022, and notice published, for the purpose of taking public input on the use of State Revenue Sharing funds for the fiscal year 2022-2023.

Council President Miles stated a perceived conflict of interest as he works for the Boys and Girls Club who receive a community contribution grant. City Attorney Nate McClintock stated it was not a true actual conflict of interest as the funds received do not pay his salary, but was

good to disclose.

Council President Miles opened the public hearing. No public comments were made. The public hearing was closed.

Councilor DiNovo moved to accept input on the use of State Revenue Sharing funds for fiscal year 2022-2023 and adopt Resolution 22-13 accepting State Revenue Sharing funds. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens. Absent: Farmer.

**Public Hearing on the Approved Fiscal Year 2022-2023 Budget - Adoption of Resolution 22-14 Would Adopt the Budget, Make Appropriations, and Levy Ad Valorem Taxes**

Assistant City Manager Nichole Rutherford stated the local government budget process was regulated through Oregon Revised Statutes (ORS) 294.305 to 294.565. The City of Coos Bay's budget is a financial plan containing estimates of revenues and expenditures for a single fiscal year. Budgeting allows a local government to evaluate its needs in light of the revenue sources available to meet those needs. A complete budget justifies the imposition of property taxes and setting appropriations that give the City of Coos Bay its authority to spend public money. In accordance with Oregon budget law the City of Coos Bay has complied with the budget law statutes. A public hearing before the City Council has been scheduled and published for the purpose of taking public input on the budget for the June 7, 2022 meeting. The proposed budget for fiscal year 2022-2023 has been reviewed and approved by the Budget Committee on May 12, 2022 with a recommendation for City Council adoption. The Budget Committee's approved budget can be found on the city's website at <http://coosbay.org/departments/finance>. Adoption of the resolution makes appropriations and levies taxes for Fiscal Year 2022-2023.

Council President Miles opened the public hearing. No public comments were given. The public hearing was closed.

Councilor Stephens moved to adopt Resolution 22-14 adopting the fiscal year 2022-2023 budget. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens. Absent: Farmer.

**Consider Adoption of Resolution 22-15 to Increase Sewer User Fees by 5.5%**

Public Works and Community Development Director Jim Hossley stated the City's wastewater rate consultant recommended a 5.5% rate increase for next fiscal year. This 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 2022- 2023 budget meeting on May 12, 2022 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 July 2022 billing cycle, Resolution 22-14 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 \$4.18 per month. The revenue will 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 90 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 are 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 uses 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 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. By steadily raising sewer 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 can 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 at this time 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 \$385,000 in additional sewer fee revenue the next fiscal year over the sewer fee revenue for the current fiscal year.

Councilor DiNovo moved to adopt Resolution 22-15 adjusting sewer user rates, charges, and fees. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Matthews, Miles, Stephens. Absent: Farmer.

### **City Manager's Report**

City Manager Rodger Craddock stated a Washed Ashore permanent art exhibit would be placed at the Preway around November 2022; provided an update on the utility box mural project; stated the Coos Bay Community Resource Officer along with Tara Johnson from the Devereaux Center submitted and received an Advanced Health grant for \$67,000 to purchase a pursuit-rated police pickup; and the Lions Club pizza day was scheduled for June 8, 2022 at Abby's Pizza.

### **Council Comments**

Mayor Benetti stated the Community Resource Officer was a great asset to the city. Councilor DiNovo asked for an update on the Bay Area Hospital closure of the Behavioral and Mental Health Department and stated June 21-26, 2022 the Mill Casino would be hosting the Family Motor Coach Northwest Area Association rally. City Manager Rodger Craddock stated a number of stakeholders recently met with the CEO of Bay Area Hospital, Board of Directors, and physicians as it was important to the community to keep the center open; talks would be ongoing. Councilor Kilmer stated a special Wine Walk was scheduled for June 24, 2022 to help fund Coos Bay North Bend Rotary grants; would reach out to Coos Bay Downtown Association regarding grant writing for the front street boardwalk; and the FOG program was to make sure the infrastructure was ready, good, and able to serve the community far into the future. Councilor Miles thanked the Coos Bay Police Department and Coos Bay Fire Department for participating in the Boys and Girls Club birthday celebration on May 21, 2022.

## **Executive Session**

Finance Director Melissa Olson read the executive session meeting disclosure statement. An executive session was held pursuant to Oregon Revised Statute (ORS) 192.660 (2) (d) for the purpose of discussing labor negotiations. No decisions were made.

## **Adjourn**

There being no further business to come before the council, Council President Miles adjourned the meeting. The next regular council meeting was scheduled for June 21, 2022. These minutes were approved as presented by City Council on June 21, 2022.



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Joe Benetti, Mayor

Attest: Nichole Rutherford  
Nichole Rutherford, City Recorder