

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

May 21, 2019

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 City Hall Council Chambers 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Joe Benetti and Councilors Lucinda DiNovo, Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. 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, Library Director Sami Pierson, Public Works and Community Development Director Jim Hossley, Community Development Administrator Carolyn Johnson, Fire Chief Mark Anderson, and Police Chief Gary McCullough.

Flag Salute

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

Public Comments

Rick Shearer, Coos Bay stated he was concerned with the 4th Street project cost increases, as well as, the old striping still visible causing issues with traffic flow; he requested no new taxes or fees for the project. Mayor Benetti stated the 4th Street project would be scaled down due to the cost increase for the traffic signal lights which was not included in original project estimates. Stacey Bear, Coos Bay representative for the Neighborhood Watch Advisory Board gave an update on the fire hydrant beautification project, lighthouse themed, with six hydrants planned in downtown Coos Bay and five on Cape Arago Highway; and was taking donations payable to Southwestern Oregon Public Safety Association to cover the \$40 cost for each hydrant painted.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

- 3a: Approval of minutes of April 16, 2019
- 3b: Approval of minutes of April 23, 2019
- 3c: Approval of minutes of May 7, 2019
- 3d: Approval of minutes of May 14, 2019
- 3e: Acceptance of April 2019 Financial Reports
- 3f: Acceptance of the April 2019 Check Registers

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

Report by Marshfield High School Key Club Members

Marshfield High School (MHS) Key Club representatives Sofia Munoz and Zachariah Sahli summarized upcoming Key Club activities, shared various ongoing fundraising activities and achievements by various MHS clubs, committees, and athletic teams. The meeting was Sofia Munoz's final meeting, senior's last day of school was June 5, 2019 with graduation on June 8, 2019, and last day of school was June 12, 2019. Council thanked Ms. Munoz for her service, congratulated her on her upcoming graduation, and wished her well on future plans.

Presentation by Steve Donovan on Wastewater Utility Rates

Financial Rate Consultant Steve Donovan provided information and rationale regarding the proposed wastewater user fee rate increase. The user fees are used to operate and maintain the City's two wastewater treatment plants, twenty-four (24) pump stations, and ninety (90) miles of sewer mains. Additionally, the user fees are used to pay for capital improvements to the wastewater system and repayment of several loans for wastewater and stormwater projects. The projects associated with these loans are complete or nearly complete. The City has two upcoming major projects which include the Wastewater Treatment Plant 1 (WWTP1) upgrade Phases 1 and 2 only (\$17,000,000), and the Eastside pump station (Pump Station 17) under the bay force main project (\$3,300,000). These projects will be funded by State Revolving Fund (SRF) loans. Before making the decision to move forward with seeking the SRF loans, Council and staff reached out to Steve Donovan for advice on how to budget future capital improvement projects. On November 13, 2018, Steve Donovan presented to Council and stated the City was in a good position to pay down a portion of these loans, thus keep wastewater rate increases low, and fund these two major projects; but he stated that there would be no funds left for additional emergency/capital improvement projects. As a result, he came up with three scenarios with the base run of repayment of all existing loans and assumed loans would be obtained for the WWTP1 and Eastside projects: base run assuming no capital/emergency projects, base run plus \$1,000,000 for capital/emergency projects, or base run plus \$2,000,000 for capital/emergency projects. City staff recommended and the Budget Committee chose the base run plus \$2,000,000 for capital/emergency projects. Mr. Donovan's previous concerns were \$20,000,000 in unfunded necessary wastewater and stormwater projects, however, his current rate model after budget modifications made by staff show unfunded projects were down to \$4,600,000, along with national yield change decreasing rather than expected increase. The new forecast rate profile with the \$2,000,000 for capital/emergency projects was close to the previous base run alone and stated the City's fees were in line with other municipalities. Mr. Donovan stated a concern for future inflation costs and increased future project costs.

A Public Hearing Will be Held to Consider Approval on a Proposed Ordinance Regulating Indoor Marijuana Processing Businesses – Approval Would Require Enactment of the Draft Ordinance

Community Development Administrator Carolyn Johnson stated the Oregon Liquor Control Commission (OLCC) imposes and collects a state tax on marijuana grown, processed, and sold in the state. Oregon cities and counties with marijuana business regulations which allow for each of these functions are provided with a revenue share of these taxes quarterly. To secure this revenue, the City must update its marijuana regulations to include marijuana grow opportunities. Previously, the City received on average \$50,000 per year of state revenue sharing of collected marijuana tax. Marijuana tax revenue is used to support public safety, as well as, the South Coast Inter-Agency Narcotics Team (SCINT).

On April 9, 2019, Council requested that other agricultural products be considered and a map be provided of the City's Industrial Commercial areas where marijuana grows were being proposed. The draft ordinance and the map exhibits were presented to Council. Proposed changes to the CBMC Title 17 to modify agriculture and marijuana definitions and to specify that indoor marijuana grows can be permitted in Industrial Commercial areas. All outdoor agricultural growing, may be conditionally permitted in Industrial Commercial areas, except for marijuana is only proposed for indoor growing. On May 14, 2019, the Planning Commission reviewed the revised regulations and forwarded to Council for approval.

Mayor Joe Benetti opened the public hearing to receive public comments. No comments were made.

Since the draft ordinance was not timely posted to give the public an opportunity to review, staff recommended delay of approval and to carry over the public hearing to the following Council meeting. The Council discussed the proposed revisions and postponed approval and continuation of the public hearing until the June 4, 2019 Council meeting.

Consideration of Approval to Adjust Sewer User Rates – Approval Would Require Adoption of Resolution 19-07

Finance Director Nichole Rutherford stated the City of Coos Bay Budget Committee concluded the fiscal year (FY) 2019-2020 budget meeting on April 11, 2019 with approval of the proposed budget which included a 6.5% increase in sewer user rates. In order to implement the sewer user rate adjustment commencing with the June 2019 billing cycle, Resolution 19-07 would need to be approved. FY 2020-2021 was projected for a 5% increase.

Councilor DiNovo moved to adopt Resolution 19-07 adjusting sewer user rates, charges, and fees. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

Consideration of Awarding Consulting Services and Construction Bid for Pump Station 17 and the Force Main Under the Bay Project

Public Works and Community Development Director Jim Hossley stated Pump Station 17 (PS17) was the major pump station that served the Eastside area. The pump station and force main have been identified as a Wastewater Capital Improvement Project. The City

contracted with Dyer Partnership to perform design services. Bids were advertised and opened on May 7, 2019. Two bids were received, Laskey Clifton for \$2,626,533.25 and Pacific Excavation for \$2,829,566. Dyer Partnership reviewed the bids and recommended award to Laskey Clifton. Dyer Partnership also submitted a scope and fee to perform construction management services for \$229,520. Per the recommendation of Financial Rate Consultant Steve Donovan, City staff applied for a Department of Environmental Quality (DEQ) State Revolving Fund (SRF) loan for this project. This loan was out for public review which ended May 20, 2019. It was anticipated staff would present the loan documents for review and approval to Council at the May 28, 2019 work session. Staff requested Council approve the contract for Dyer Partnership to perform construction management services and award the bid for construction to Laskey Clifton, contingent upon approval of the SRF loan. An agreement was signed with the Port of Coos Bay for portion of pipeline crossing their property.

Councilor Marler moved to award the contract, subject to approval of SRF loan with DEQ, with Dyer Partnership to perform construction management services for \$229,520 and award the bid for construction to Laskey Clifton for a cost of \$2,626,533.25 along with a 15% contingency for a total amount not to exceed of \$3,284,461. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Kilmer, Marler, Matthews, Miles. Absent: Farmer.

Approval of the Collective Bargaining Agreement with AFSCME Represented Employees

City Manager Rodger Craddock stated the labor contract between the City and the American Federation of State, County, and Municipal Employees (AFSCME) Local 2892 was slated to expire on June 30, 2019. The City's bargaining team along with AFSCME's bargaining team recently negotiated a successor three-year Collective Bargaining Agreement (CBA). The tentatively agreed upon three year (2019-2022) successor CBA, which still needed ratification by the Union and approved by the City. Monetary changes to the CBA included: 2.4% cost of living increase (COLA) the first year, second and third year COLA based on consumer price index (CPI) with a minimum of 1.5% and maximum of 3.5% increase, cap on public employees retirement system (PERS) employee contributions, and future high deductible health plan family deductible limits increases would not be fully funded.

Councilor Kilmer moved to approve the FY 2019-2022 Collective Bargaining Agreement with AFSCME Local 2892. 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 warehouse at the corner of 2nd Street and Johnson Street was purchased by a Domino's franchisee for dine-in and carry-out, and the construction had begun. Work continued at the Coos Bay Village site and Mr. Craddock played a video of the site plans. The Bayshore Motel was moving forward with demolition, after completion of asbestos abatement. The American Building had completed phase one with four more phases planned, had submitted plans for approval, windows had to be specially made, and the contractor stated the next two phases would take six months each to complete. The Front Street Provisioners ribbon cutting was scheduled for May 29, 2019. The Hollering Place seawall was completed, next phase was to transfer deed to upper bluff, and a celebration ceremony was scheduled for June 21, 2019 at 5:30 p.m. at the Dolphin

Theatre.

Council Comments

Councilor Miles thanked Steve Donovan for presenting and asked if Council could receive the Parks Commission and other committee minutes. City Manager Rodger Craddock stated staff was working on having all minutes posted to the City of Coos Bay website. Councilor Kilmer stated she has had many people make positive comments regarding City staff over the last couple weeks and there are a lot of activities coming up such as the Got Talent Program June 27, 2019 and BBQ Blues & Brews event at the Mill Casino May 25 - 26, 2019. Councilor DiNovo thanked Ms. Kilmer for representing at the Dancing with the Bay Area Stars fundraiser for Star of Hope May 10, 2019, thanked staff for all the negotiations they have completed, and the BBQ Blues & Brews beer proceeds would be going to the Bay Area Chamber of Commerce this year. Councilor Marler thanked Steve Donovan for presenting, the Coos Bay School Bond Oversight Committee met on May 20, 2019, with pilling driving at Eastside Elementary School scheduled to be completed on May 25, 2019. Councilor Matthews thanked City staff for all their work and was enjoying being on the Council; noted he felt welcomed, supported, and found it easy to navigate and a great group to work with. Mayor Benetti thanked participants at the Dancing with the Bay Area Stars, the BBQ Blues & Brews had taken off, and Council was invited by Portland Mayor Ted Wheeler to walk in the Rose Festival parade on June 8, 2019.

Adjourn

There being no further business to come before the Council, Mayor Benetti adjourned the meeting. The next regular Council meeting was scheduled for June 4, 2019 in the Council Chambers at City Hall.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder