

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

July 1, 2014

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 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Mayor Crystal Shoji, Councilors Brian Bowers, Mark Daily, Jennifer Groth, Stephanie Kramer, Thomas Leahy, and Mike Vaughan. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Community Development Director Eric Day, Assistant Library Director Ellen Thompson, Public Works Director Jim Hossley, Wastewater Project Engineer Jennifer Wirsing, Fire Chief Mark Anderson, and Police Chief Gary McCullough.

Flag Salute

Mayor Shoji opened the meeting and asked South Coast Development Council Interim Director John Hitt to lead the Council and assembly in the salute to the flag.

Public Comments

Bob James, Coos Bay: Urged the Council to consider informally naming the roadway between Isthmus Slough Bridge and Catching Slough as Mel Counts Way as a way to commemorate his (Mel Counts) connection to the local area.

Councilor Vaughan entered the meeting at approximately 7:02 p.m.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the minutes of June 17, 2014; 3b: acceptance of a Veterans and War Memorial grant award; 3c: approval to purchase police vehicles; 3d: approval of Oregon Liquor Control Commission (OLCC) annual license renewals for 7 Devils Brewing Co., Black Market Gourmet, Captain's Cabin, Coach House, Cranberry Sweets, Elk's Lodge #1160, Empire Café, Hair Co. Ect. Salon and Day Spa, Oregon Coast Culinary Institute, Oregon Wine Cellars, Outdoor-In, Pueblo Nuevo 2 Mexican Restaurant, Smith's Bayway Market, and Walt's Pour House; 3e: acceptance of a Coastal Management Grant award from the Department of Land Conservation and Development (DLCD); 3f: adoption of Resolution 14-16 extending workers compensation coverage to volunteers of the City of Coos Bay, and; 3g: ratification of City of North Bend's appointment of Carol Ventgen to the Coos County Library Service District Advisory Board. Mayor Shoji requested item 3b, acceptance of the Veterans and War Memorial grant award be brought down to the agenda as item 4a for further discussion. Councilor Daily requested approval of an OLCC annual license renewal for Outdoor-In as listed in item 3d, be moved down to the agenda as item 4b for separate consideration. Councilor Kramer moved to approve the consent calendar as amended approving the minutes of June 17, 2014, approving the purchase of police vehicles, approving OLCC annual license renewals for 7 Devils Brewing Co., Black Market Gourmet, Captain's Cabin, Coach House, Cranberry Sweets, Elk's Lodge #1160, Empire Café, Hair Co. Ect. Salon and Day Spa, Oregon Coast Culinary Institute, Oregon Wine Cellars, Pueblo Nuevo

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2 Mexican Restaurant, Smith's Bayway Market, and Walt's Pour House, accepting a Coastal Management grant award from the DLCD, adopting Resolution 14-16 extending workers compensation coverage to volunteers of the City of Coos Bay, and ratifying City of North Bend's appointment of Carol Ventgen to the Coos County Library Service District Advisory Board. Councilor Groth seconded the motion. Councilor Daily inquired as to the purchase of police vehicles whereby City Manager Rodger Craddock explained the replacement schedule and process for replacing City vehicles. A call for the question was made which carried with Mayor Shoji and Councilors Bowers, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

New Council Business

Councilor Kramer inquired about improving the Downtown Wi-Fi whereby City Manager Roger Craddock stated the City was contacted by Frontier to provide staff with a presentation to improve the system. It was the consensus of the Council to add discussion of the Downtown Wi-Fi system to a future Council agenda. Councilor Bowers requested staff look into the cost savings to transition to paperless Council packets. Councilor Groth stated the Coos County Public Health Department contacted her about an available grant that could potentially benefit the Coos Waterfront and Parkway project; noted the grant award was \$25,000 and did not require a match; suggested the Council consider applying for the grant to improve the connectivity between Front Street and the Historical Maritime Museum. It was the consensus of the Council to approve Councilor Groth drafting a letter of inquiry to Business Oregon asking for consideration to proceed with the grant application. Mayor Shoji inquired as to the status of the Coos Bay Public Library. City Manager Craddock stated that both the structural and geotechnical engineers confirmed the Library foundation was sinking; suggested Council could seek a second opinion at an estimated cost of \$120,000. Mayor Shoji requested a future agenda item be added for Council consideration of coordination of tourism gaps by Coos Bay tourism representatives relating to local events and the Coos Bay – North Bend Visitors Convention Bureau.

Acceptance of a Veterans and War Memorial Grant

Mayor Shoji requested item 3b: acceptance of the Veterans and War Memorial grant award be brought down to the agenda for further discussion. Public Works Director Jim Hossley stated Marshfield Cemetery volunteer Cricket Soules applied for a 2014 Veterans & War Memorial grant through the State of Oregon Parks and Recreation Department. The City received notification of award on February 12, 2014 for \$1,955. The scope of the grant was to restore the Marshfield Cemetery's Sailor-Soldier Monument. Andrew Door stated he was a student at Marshfield High School and member of the Cemetery Club; highlighted fundraising efforts and recent events at the Cemetery. Ms. Soules stated the proceeds from the grant would go towards restoration of the Sailor-Soldier War Monument which was erected in commemoration of the 50th anniversary for the end of the Civil War. The required grant match was 20% of the grant and was secured through in-kind labor and a donation by the American Legion given in former Councilor Gene Melton's name. Councilor Daily inquired if the memorial had any kind of religious connotation. Ms. Soules explained the memorial was military based and did bear a cross-like insignia. City Attorney Nate McClintock noted the memorial was located in a cemetery whereby placement of a cross would be acceptable. Councilor Kramer moved to accept the Veterans and War Memorial grant award. Councilor Groth seconded the motion

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which carried with Mayor Shoji and Councilors Bowers, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

Approval of an OLCC Annual License Renewal for Outdoor-In

Councilor Daily requested approval of OLCC annual license renewal for Outdoor-In be moved down from the consent calendar for separate consideration. Councilor Daily recused himself from the discussion declaring a conflict of interest stating he was the owner of Outdoor-In. Councilor Kramer moved to approve the annual OLCC license renewal for Outdoor-In. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Bowers, Groth, Kramer, Leahy, and Vaughan voting aye. Councilor Daily abstained from the vote, was deemed, pursuant to the provisions of 4.7.4 of the Rules of the City Council, to have voted with the majority, which approved the motion.

South Coast Development Council Report

South Coast Development Council (SCDC) Board Member Chair John Knutson and Vice-Chair Fred Jacquot thanked the Council for their continued support of the SCDC. Mr. Knutson and Mr. Jacquot provided an appreciation of service plaque to John Hitt for his efforts as the Interim Executive Director of the SCDC. Mr. Hitt provided a brief report on SCDC's activities over the past six months which included: starting a traded sector outreach program, assisting three businesses in locating new business sites, project "Operator", project "Packer", Jordan Cove, enhanced marketing for myrtle wood dependent businesses, and developing a new website. Other activities included a food producers study to cover fish and cranberry producers in addition to hiring a new executive director. Mr. Hitt introduced the organizations newly hired Executive Director, Connie Stopher. Ms. Stopher stated she was excited about the prospects for the South Coast.

City Manager Rodger Craddock asked Mr. Knutson to explain the changes in SCDC's bylaws. Mr. Knutson explained board membership was composed of paid members/investors; platinum membership was \$10,000, gold \$7,500, silver \$5,000, bronze \$2,500, affiliate/organizational \$500, and individual was \$150. SCDC's annual executive board members meeting was held on June 25th; whereby City Manager Craddock was elected (as part of the recent changes to SCDC's bylaws) to a newly established public at large position and Monte Mendenhall of PacifiCorp was elected to a private at large position. Mr. Daily expressed concern about SCDC's voting process and voting rights. Mr. Knutson stated membership was opened to anyone who wanted to make the investment; noted there was a limited number board seats available for affiliate and individual level members. Ms. Stopher noted past concern about the organization's priorities; expressed her confidence in the new bylaws; stated her goal was to bring good jobs to the community. Ms. Stopher stated SCDC's success could be measured by a "bang for your buck" strategy whereby SCDC would demonstrate how membership investment contributed to new payroll and capital investment dollars into the community. Discussion continued about SCDC's new website. No decision was made.

Presentation of the New Wastewater Treatment Plant #2 Site Plan

Councilor Vaughan recused himself from the discussion declaring a conflict of interest stating he was hired as part of the landscape design team for the project. Public Works Director Jim

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Hossley stated Wastewater Treatment Plant #2 (WWTP#2) design plans were completed to the 60% level which included plant layout, architectural features and landscape. The consultants' Project Manager, Mark Denning of SHN and Project Architect Bob Taverna of CH2M Hill presented renderings and other visual aids depicting how the treatment plant was proposed to look when construction was completed. Mr. Denning provided a brief overview of the proposed site plan for WWTP#2 which included the various buildings, low maintenance landscaping, process for mitigating sound, and odor control efforts; noted as part of the biosolids management plan the former WWTP#2 site would be demolished. Yard lighting would include photo-cell, switched, pole and wall mounted. Mr. Denning stated a section of Fulton would receive new sidewalks; no plans for improvements along Marple Street. City Manager Rodger Craddock inquired if it was the Council's desire to include sidewalks. It was the consensus of the Council for the decision to be made through land use process.

Councilor Kramer exited the meeting at approximately 8:06 p.m. and returned at approximately 8:09 p.m.

Mr. Taverna stated he worked in the Architecture Department of CH2M Hill for the past 19 years; noted primary goal of the plant design was based on life safety concerns. Material use included concrete and concrete block; colors would be earth and natural tones. Mr. Taverna stated a preform was proposed for the top and bottom of the maintenance and headworks buildings. Mayor Shoji inquired about adding a mural to the building(s). Mr. Denning explained their intention was to screen the SBR (Sequencing Batch Reactor) rather than adding a mural. Community Development Director Eric Day stated as part of the site, plan, and architectural review (SPAR) requirements the plant needed to fit into the residential characteristics of the neighborhood. Mr. Taverna stated the roofline was designed to blend with the adjacent residential buildings.

City Manager Rodger Craddock stated the design was based off of public comments taken during the public meetings; suggested this was the Council's opportunity to make a change to the design if they desired. Mayor Shoji recommended incorporating artwork. Mr. Denning stated aluminum fencing was recommended. Mr. Craddock suggested staff could provide a cost estimate for difference between wrought iron and concrete fence. Mr. Hossley stated the total estimated cost for the project as of the 60% mark was \$27 million; noted staff was working to lower the estimated cost. Councilor Groth stated she was not interested in making any changes that would add to the cost of the project and was comfortable with the project as presented. Mr. Craddock stated building placement was designed to minimize operating costs. Councilor Daily suggested the look was too industrial; expressed dislike for the current design and suggested there could be a better design for the amount of money the City was proposing to spend on the project; requested another presentation with different design options.

Public Hearing to Consider an Ordinance Regulating Smoking on the Library Property – Approval Would Require Enactment of the Proposed Ordinance

City Attorney Nate McClintock stated there was a change to the proposed ordinance since the time it was originally published. Mr. McClintock read aloud the proposed ordinance as revised. City Manager Rodger Craddock stated on May 6, 2014, staff relayed a request to the City Council from the Coos Bay Library Board requesting an ordinance prohibiting smoking in or around the Coos Bay Public Library. Library staff received complaints regarding the unpleasant

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and unhealthy conditions of walking through cigarette smoke outside the entrance of the Library. Additionally, the smoke and odor from smoking around the building was reportedly seeping into the building and into the Library's HVAC system. Mr. Craddock provided a PowerPoint presentation showing the library campus and the area which would be affected by the proposed no smoking area. Mayor Shoji opened the public hearing. No public comments were given and the hearing closed. Councilor Vaughan suggested many of smoking patrons were homeless and had no other place to go; recommended having patrons seek help for their addiction. City Attorney McClintock stated the City could not force citizens to attend such program. Mayor Shoji inquired what the City had done thus far to mitigate the smoking problem. City Manager Craddock stated no smoking signs were posted at the entrance of the building in compliance with state law and ash trays were also positioned in various areas around the library. Councilor Daily moved to enact the proposed ordinance restricting smoking in and about the City of Coos Bay Library and declaring it an emergency. Councilor Kramer seconded the motion. Deputy Finance Director Amy Kinnaman read the ordinance by title only and Ordinance No. 459 was enacted by the following vote:

Aye: Councilors Bowers, Daily, Groth, Kramer, and Leahy
Nay: Mayor Shoji and Councilor Vaughan
Absent: None

Public Hearing to Consider Amending Ordinance No. 331 to Provide Recreation Vehicles and Marine Pleasure Crafts Sewage Discharge to City Wastewater System – Approval Would Require Enactment of the Proposed Ordinance

Public Works Director Jim Hossley noted for several years the City of Coos Bay operated a recreational vehicle (RV) wastewater dump site along Front Street and a marine pleasure craft dump station at the City Dock. The City's current ordinance regulating wastewater users did not specifically identify effluent from RV or marine pleasure craft as allowable. Staff recommended revising the existing ordinance to specifically allow for the discharge of wastewater from RV's and marine pleasure craft into the City's sanitary sewer system. Councilor Groth moved to enact the proposed ordinance amending Ordinance 331 and providing for recreational vehicle and marine pleasure craft sewage discharge to the City wastewater system. Councilor Kramer seconded the motion. Mayor Shoji opened the public hearing. Ken Fulkner, Coos Bay: inquired what the fee would be if the Council were to approve the proposed ordinance. Councilor Groth advised the proposed ordinance did not include a fee but noted the following agenda item proposed a \$7.00 per use fee. No further public comments were given and the hearing closed. A call for the questions was made. Deputy Finance Director Amy Kinnaman read the ordinance by title only and Ordinance No. 460 was enacted by the following vote:

Aye: Mayor Shoji and Councilors Bowers, Daily, Groth, Kramer, Leahy, and Vaughan
Nay: None
Absent: None

Consideration of a City Fee Amendment Adding an RV Dump Station Fee – Approval Would Require Adoption of Resolution 14-15

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Public Works Director Jim Hossley stated the City's current fee resolution did not provide for the Recreational Vehicle (RV) effluent dump fees. City currently requested \$1.00 per use with collection based upon the honor system. The City typically collected \$2,000 to \$2,500 annually. Mr. Hossley stated the City contracted with Sani-Star to install an automated card swipe payment system at the City's RV dump site. Sani-Star would own and maintain the system and the City would share the revenue collected with Sani-Star. Staff recommended the City Council approve setting the RV effluent dump fee at \$7.00. Councilor Daily inquired if staff consulted with Steve Donovan to inquire if the City was recouping the costs for treatment. City Manager Rodger Craddock suggested Coos Bay residents were currently supplementing treatment costs hence the need to increase the cost. Councilor Groth inquired if the cost to process the credit card fees was standard whereby City Manager Craddock advised the proposed fees and process was typical of all Sani-star contracts. Councilor Groth moved to adopt Resolution 14-15 amending fees for general government operations and business licenses. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Bowers, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

Review of City of Roseburg's Ordinance Against Roadside Transactions

Police Chief Gary McCullough stated during a recent Council meeting, the topic of panhandling (persons who conduct transactions of tangible property or currency that is occurring between pedestrians and occupants of vehicles) within the Coos Bay city limits was brought up. Chief McCullough noted the transactions had caused incidents in the past which required police response which included: traffic related issues, blocking of sidewalks, trespassing and littering on private property, and aggressive panhandling. Chief McCullough further noted that peaceful panhandling done by individuals was protected by the 1st amendment. Since panhandling on busy street corners could cause traffic related issues jurisdictions have taken steps in attempt to correct the cause of the problem. City of Roseburg enacted an ordinance that prohibited the act of a person or persons in a vehicle from giving or relinquishing control of currency or other tangible property to a person while those transactions occur in the roadway. Mr. McCullough provided the Council with a copy of the City of Roseburg's ordinance. Mayor Shoji was not in favor of adopting the ordinance if local citizens wanting the ordinance were not in attendance to speak on the matter. Councilors Daily and Leahy suggested they had heard ample feedback and citizen input to support implementing the proposed ordinance. Mayor Shoji suggested the City should work with local partners to help disseminate information. It was the consensus of the Council to direct staff to notify local businesses of the proposed ordinance and to bring back the ordinance to Council for formal consideration.

Discussion on Medical Marijuana Dispensaries Moratorium

Community Development Director Eric Day stated a few months ago, the City Council passed a moratorium on the permitting of marijuana dispensaries in Coos Bay until May 2015. Since that time, the League of Oregon Cities conducted outreach training on the topic which covered: recent legislation, law enforcement, what other jurisdictions were doing (i.e. moratoriums, banning the use, not acting on the issue, etc.), and what the next steps were in the process. Mr. Day stated, he along with City Manager Rodger Craddock and Police Chief Gary McCullough had attended a couple of different training events and believed there were several different options for the Council to provide direction: Enact a ban on the dispensaries within the City limits through the business license program/or land use zoning; allow for the dispensaries in

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certain zones within the City; allow for dispensaries and/or marijuana grows within specified zones throughout the City; require backgrounds be conducted on all persons financially invested in the dispensaries as well as all employees or persons responsible for dispensing the medical marijuana; ban medical marijuana dispensaries from opening/operating within 1,000 feet of any place minors gathered/congregated (city parks, daycares, etc.); enact a business license fee that covered the cost to mitigate all expenses that would be required to cover costs of monitoring and regulating the medical marijuana dispensaries

Mr. Day noted the conflict within Oregon and Federal law concerning the legality of marijuana use. Mr. Day advised should the Council direct staff to move forward with an amendment of the development code to allow marijuana dispensaries in a specific zone, the process would be for the amendment to go to the Planning Commission for review, public hearing and recommendation. The Council would then review, hold public hearing, and make final vote. City Manager Craddock disclosed per the U.S. Attorney the possibility existed that under future administrations, the federal government could take a different stance towards states and municipalities allowing for marijuana use; noted there was a law being proposed that would prevent the federal government from enforcing the federal law in states where marijuana use had been legalized.

Councilors Bowers, Daily, Kramer, and Leahy were in favor of enacting a ban on the dispensaries. Councilor Groth noted medical marijuana use was not approved for use by the Food and Drug Administration and stated she was also in favor of enacting a ban on dispensaries. Mayor Shoji and Councilor Vaughan were not in favor of a ban. Councilor Daily moved to instruct staff to draft an ordinance enacting a ban on the dispensaries within the City limits and hold a public hearing for public input. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Bowers, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

Award After-the-Fact Emergency Contract to Replace Sewer Pipe on 4th Street Between Market and Highland Avenues

Public Works Director Jim Hossley stated a sinkhole was reported near the manhole at the intersection of N. 4th Street and Market Avenue. City staff performed dye testing and an investigation of the sanitary sewer main line and found several sections of pipe were missing. The sanitary sewer mainline along N. 4th Street was 10-inch clay pipe installed in 1905; portions of the pipe was still intact but had numerous large cracks. Shortly after the first sinkhole was observed, another sinkhole appeared along N. 4th street at the intersection with Highland Avenue. Pursuant to the City's emergency contracting rules, staff requested emergency repair quotes from three contractors with the request the work be completed by June 30, 2014. Two quotes were received: Benny Hempstead Excavating Inc. for \$39,790 with an estimated completion date of June 30, 2014 and Johnson Rock Products for \$37,685 with an estimated completion date of July 11, 2014. Due to the emergency nature of the project the contract was awarded to Benny Hempstead Excavating, Inc. because their expedited time line in effort to ensure public safety and minimize any further damage.

Mr. Hossley stated the contract was for \$39,790 however, a contingency in the amount of \$10,000 (approximately 25%) was requested due to age of the system and the many potential unknowns of the project. Councilor Daily moved to approve the award of the emergency

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contract after the fact for the sanitary sewer replacement of N. 4th Street between Highland Avenue and Market Avenue to Benny Hempstead Excavating, Inc. for an amount not to exceed without Council approval in the amount of \$49,790 pursuant to the Emergency Contract rules found in Section 11 of City of Coos Bay Ordinance 365. Mayor Shoji seconded the motion. Councilor Vaughan expressed concern existing conditions of city streets; noted city streets needed compaction and underlayment to ensure integrity of the streets. A call for the question was made which carried with Mayor Shoji and Councilors Bowers, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

City Attorney's Report

No comments were given.

City Manager's Report

City Manager Rodger Craddock noted the City recently posted 1921 and 1925 Newmark as dangerous; provided the Council with a copy of the letter. The Hollering Place Development negotiations were progressing; Egyptian Theatre agreement in progress; noted he would be attending the upcoming Oregon City Manager's Association Conference.

Council Comments

Councilor Bowers expressed thanks to the Public Works Department for their efforts on the Egyptian Theatre renovation. Councilor Leahy stated the Clamboree was well attended and great success. Councilor Daily expressed support for the Wednesday Farmers Market. Councilor Kramer also thought the Clamboree was a success. Councilor Vaughan expressed thanks and admiration for city staff and the Egyptian Theatre Preservation Association for coming together to restore the theatre. Mayor Shoji thanked the Boat Building Center for their recent open house.

Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for July 15, 2014 in the Council Chambers at City Hall.

Crystal Shoji, Mayor

Attest: _____
Susanne Baker, City Recorder