

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

August 18, 2015

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 and Councilors Fred Brick, 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, Public Works Director Jim Hossley, Wastewater Project Engineer Jennifer Wirsing, Fire Chief Mark Anderson, and Police Captain Chris Chapanar.

Flag Salute

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

Public Comments

Ken Fulkner, Coos Bay: spoke in favor of the proposed gas tax; suggested implementing a county-wide gas tax; inquired what would happen if the tax was approved by the City of North Bend and not approved by the City of Coos Bay. Mayor Shoji stated the proposed gas tax required approval of both cities. City Manager Rodger Craddock stated the May 2016 ballot would be the earliest possibility for citizens to vote on the matter.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the minutes of August 4, 2015, and; 3b: acceptance of the July 2015 accounts payable and payroll check registers. Councilor Groth moved to approve the consent calendar approving the minutes of August 4, 2015 and accepting the July 2015 accounts payable and payroll check registers. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

New Council Business

Councilor Daily suggested DB Western should be allowed time to make a final presentation to the Council; requested DB Western be added to the City Council agenda for October 6, 2015. Councilor Groth inquired as to basis of presentation. Councilor Daily stated it was his understanding DB Western planned to address all City previously noted concerns. City Attorney Nate McClintock stated pursuant to Council rule 2.7.2.7 one of the individuals who voted in favor of not having staff devote any additional time to DB Western would have to make a motion which could be seconded by anyone on the Council; Council would then vote to decide if they wanted staff to devote additional time on the matter. City Attorney McClintock advised staff time would be required to prepare and coordinate a presentation. Councilor Daily stated he was not in favor of spending additional staff time on the matter. City Attorney McClintock suggested DB Western could make their own meeting arrangements to avoid use of additional staff time.

City Council Minutes – August 18, 2015

Councilor Daily moved to add the presentation to the October 6, 2015 Council agenda. Councilor Vaughan seconded the motion. Councilor Groth recommended requesting the Department of Environmental Quality (DEQ) attend the meeting since they were the regulatory authority on the proposed subject matter. Councilor Vaughan stated he did not understand why the Council was attempting to derail the presentation. Mayor Shoji stated DB Western's request was contentious and she was opposed to their additional presentation request. A call for the question was made which carried with Councilors Brick, Daily, Leahy, and Vaughan voting aye and Mayor Shoji and Councilors Groth and Kramer voting nay. Mayor Shoji stated she did not want to be in charge of the meeting wherein City Manager Rodger Craddock stated the motion would allow the meeting to be set as a work session to be held prior to the October 6, 2015 City Council meeting and the Council would want staff to be present at the meeting as a resource. Mayor Shoji and Councilor Groth requested DEQ be present at the meeting. Councilor Daily recommended holding the meeting on October 6th at 5:00 p.m. City Manager Rodger Craddock stated he would inquire if the Library's meeting room was available for the proposed date and time.

Mayor Shoji requested to step down from the Coos Bay-North Bend Visitor Convention Bureau Board (VCB) and to join the South Coast Development Council Board (SCDC). City Manager Rodger Craddock was agreeable to switching his position on the SCDC Board with Mayor Shoji's position on the VCB Board.

Presentation of a Mayor's Appreciation Award to the Coos Bay Sister City Association Choshi Garden Volunteers

City Manager Rodger Craddock stated on May 7, 2002, former Mayor Benetti instituted the "Mayor's Appreciation Award" to formally recognize citizens for extraordinary contributions to the community. Mayor Shoji recently expressed her desire to recognize and thank all the Choshi volunteers for their tireless energy to create, preserve, and beautify the Choshi Gardens. City Manager Craddock provided a brief history on the type of work and activities completed by the Choshi Garden volunteers. Mayor Shoji presented the Mayor's Appreciation Award to Choshi Garden volunteers Ursula and Lewis Langley. Mr. Langley stated it was his honor to work with all of the Choshi volunteers.

Public Hearing to Consider Replacing the Citizen Involvement Committee with the Planning Commission – Approval Would Require Adoption of Resolution 15-16

Community Development Director Eric Day stated in December 1974 the State of Oregon adopted a set of 19 Planning Goals to be applied in the adoption of comprehensive plans, development codes, and other actions pertaining to the conservation and development of state lands and resources. Goal one (1) of the subject Statewide Planning Goals specified the formation and use of a Committee for Citizen Involvement (CCI) for the purpose of representing the community and was intended to promote and enhance citizen involvement in land-use planning and implementing and evaluating citizen involvement programs. The State's Land Conservation and Development Commission (LCDC) and its adjunct Citizen Involvement Advisory Committee (CIAC) made provisions in Goal 1 to allow cities to utilize their Planning Commission (PC) in lieu of a CCI upon approval by the LCDC and the CIAC. Mr. Day stated most cities in Oregon made the change many years ago; noted City of Coos Bay had been

City Council Minutes – August 18, 2015

using the PC in place of the CCI for many years. During the Development Code rewrite process it was discovered that the City of Coos Bay never officially made the change.

Mayor Shoji opened the public hearing. No public comments were given and the hearing closed. Mayor Shoji moved to adopt Resolution 15-16 replacing the Committee for Citizen Involvement with the Planning Commission. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

Public Hearing to Consider:

- a. **Approval of a Proposed Ordinance Establishing a Historic Preservation Process – Approval Would Require Enactment of the Proposed Ordinance**
- b. **Approval of a Proposed Ordinance Amending Ordinance No. 456 Design Assistance Team – Approval Would Require Enactment of the Draft Ordinance**

Mayor Shoji stated the Council would not be holding the public hearing or voting the proposed ordinances; stated the Council did not received the ordinance ten days prior to consideration of vote as required; requested the matter be forwarded to the Planning Commission to simplify the process and for the Council to consider the matter at the October 20, 2015 City Council meeting.

Consideration to Award Contract for Engineering Bid and Construction Services for Empire Sewer Improvements

Public Works Director Jim Hossley stated in 2010 the City entered into a contract for preliminary design on a sewer replacement project for Salmon and Michigan Avenues. Due to funding restraints, the project was not completed. In 2012, the City obtained funding through an Infrastructure Finance Authority (IFA) loan which allowed staff to move forward with the project. The original engineering firm who performed the preliminary design was no longer in business so staff contracted with Kerbo Engineering to complete the final design. Mr. Hossley stated generally staff separated design from the construction and management for wastewater contracts. Due to the complexity of the project location taking place on private property, staff recommended the design engineer (Kerbo) perform the construction management services on behalf of the City. Kerbo's original contract of \$16,867 was approved by the City Manager. The construction management contract would be considered part of the same project and required Council approval. Councilor Brick moved to award the contract to Kerbo Engineering for engineering bid and construction services for Empire sewer improvements. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, Leahy, and Vaughan voting aye.

Discussion on Wastewater Rates and Classification Options

Public Works Director Jim Hossley stated at the July 21, 2015 City Council meeting, the City's rate consultant (Steve Donovan of Donovan Enterprises) gave a presentation to the Council on the methodology currently in place for calculating wastewater rates. Mr. Hossley provided a brief overview of Mr. Donovan's presentation and noted during the presentation, a question was posed whether the current volume charge for the commercial high strength customer class was too high and placed an undue financial burden on those customers. Mr. Hossley stated the

City Council Minutes – August 18, 2015

current volume charge for domestic strength classification was \$6.76 per month per 100 cubic feet of water consumption (CCF). The corresponding volume charge for commercial high strength classification was \$8.38 per CCF. Per Council direction Mr. Donovan completed a rate sensitivity calculation to demonstrate possible volume charges for both domestic and high strength rates over a range of assumed wastewater concentrations. Mr. Hossley noted any reduction in the commercial high strength volume charge, and the corresponding reduction in revenue recovered from the class would have to be made up from a volume rate increases to the domestic strength customer classifications. Attention was directed to the rate sensitivity study analysis wherein it was noted the rate impacts between the two groups was not one on one. Based on historical metered flow data, roughly 91% of total wastewater system flows originated from the domestic high strength class. A relatively large reduction in the commercial high strength volume charge would translate into a much more modest increase in the domestic strength volume charge.

Mayor Shoji stated she requested a comparison analysis between high strength and single family user classifications to see the overall impact of the compounding effect of future sewer rates in a side by side comparison between the two classifications. Finance Director Susanne Baker reviewed the analysis which consisted of three different comparisons: sewer rate classifications and fees through Resolution 15-15, a comparison of percent of increase between classifications, and sewer fees based on 2015 average CCF actual water consumption through Resolution 15-15; noted average CCF actual water consumption for single family was 4.6 and high strength was 60.34. Ms. Baker stated the sewer fee resolution defined each user classification; noted currently there were 88 high strength users. Councilor Daily inquired about properties with mixed use. Ms. Baker stated zoning and primary function of the location were reviewed in effort to determine user classification. Councilor Leahy expressed concern about the impact on economic development due to high sewer rates.

Ms. Baker stated all user classifications paid the same base rate. The consumption charge was the basis for the difference between high strength and all other user classifications. High strength users currently charged \$8.38 per 100 CCF of water usage and all other user classifications were charged \$6.76 per 100 CCF of water usage. Councilor Daily expressed concern that City of Coos Bay users were at an economic disadvantage as compared to City of North Bend users. Mayor Shoji was not in favor of increasing costs to the various user classifications in effort to decrease costs to high strength users due to the increased costs required to treat high strength discharge. Councilor Daily stated he suspected the commercial, public/other, and multi-family user classifications had different biochemical oxygen demand (BOD) rates. Councilor Groth recommended the Council look into making a small change to all user rates; preferred the idea of keeping two separate rates if the high strength user rate was decreased, suggested the high strength users should still pay a higher rate; inquired about implementing an education program for high strength users. Councilor Daily noted table 3 of Mr. Donovan's proposal showed only an \$.83/per month (on average) increase to single family users and a reduction of \$86.88/ month (on average) to high strength users; suggested the overall impact was pretty insignificant to single family users and rather significant to high strength users.

Councilor Kramer exited the meeting at 8:09 p.m. and re-entered the meeting at 8:12 p.m.

City Council Minutes – August 18, 2015

Councilors Brick, Daily, Groth, Leahy, and Vaughan were in favor a shared 50/50 rate split between the high strength and all other user classifications. Mayor Shoji was not in favor of reducing the rates for high strength users. Council consensus to direct staff to prepare a resolution based on 50/50 rate split reducing high strength user rates and increase all other user classification rates and advertise for a public hearing.

City Attorney's Report

No comments were given.

City Manager's Report

City Manager Rodger Craddock reminded the Council they recently provide approval for the Coos Bay-North Bend Water Board (Water Board) to submit a loan application to fund improvements along the South Empire Boulevard; noted back in 1969 Coos Bay and North Bend had an agreement in which each jurisdiction agreed to be responsible for their individual costs related public improvements which impacted waterlines. In 1986 the City of Coos Bay changed their policy and began treating the Water Board just like any other utility wherein utilities were responsible for the costs associated with relocating their utility in the event of a public improvement project. City Manager Craddock noted the 1986 policy change followed State Law; stated the City of North Bend did not change their agreement and expressed concern about the joint owners having two different agreements. The City of North Bend asked for the City of Coos Bay to put together a committee comprised of the City Manager and two Councilors from each city to review requirements for utility improvements. Councilors Groth and Leahy agreed to represent the City of Coos Bay on the new committee.

City Manager Craddock noted the City was awarded a \$400,000 Brownfields grant from the Environmental Protection Agency (EPA). One of the conditions of the grant required the City to form an advisory committee to provide direction on how to use the grant proceeds.

Council Comments

Councilor Vaughan noted the Oregon Community Foundation awarded the Egyptian Theatre a \$2,000 grant. Councilor Leahy announced a replica of the schooner America would arrive in Coos Bay on August 26th. Councilor Daily requested an update from staff on bidding process for new wastewater maintenance and operation contract; inquired if City had any space available to offer to Jordon Cove for their workforce housing camp. Mayor Shoji challenged the Council to participate in the upcoming Coos Bay vs. North Bend bowling event.

Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for September 1, 2015 in the Council Chambers at City Hall.

Crystal Shoji, Mayor

Attest: _____
Susanne Baker, City Recorder