

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

September 18, 2012

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 Library Meeting Room, 525 Anderson Avenue, Coos Bay, Oregon.

Those Attending

Those present were Council President Stephanie Kramer and Councilors Jennifer Groth, Jon Hanson, Gene Melton, John Muenchrath and Mike Vaughan. Mayor Crystal Shoji was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Economic Revitalization Administrator Joyce Jansen, Library Director Sami Pierson, Public Works and Development Director Jim Hossley, Fire Chief Stan Gibson, Police Captain Chris Chapanar, and Police Chief Gary McCullough.

City Council Interviews

At 6:15 p.m. prior to the start of the regularly scheduled Council meeting, the Council interviewed applicants for the Library Board in the Manager's Conference Room at City Hall. No decisions were made.

Flag Salute

Council President Kramer opened the meeting and asked Public Works and Development Director Jim Hossley to lead the Council and assembly in the salute to the flag.

Public Comments

Brian Bowers, Coos Bay: Introduced the new Main Street Manager, Nathan Jurey; advised the Downtown Association Promotion Committee drafted three different logo's for branding a new downtown shopping district and requested the Council's review and approval. City Manager Rodger Craddock inquired if the Council had any objections to the three proposed logos. Whereby there were no objections, it was the consensus of the Council to authorize the Downtown Association to move forward with the project using their best judgment.

Consent Calendar

Council President Stephanie Kramer reviewed the consent calendar which consisted of 3a: approval of the minutes of September 4, 2012; 3b: acceptance of August 2012 accounts payable and payroll check registers; and 3c: acceptance of the August 2012 combined cash report. Councilor Groth requested item 3c be moved down to the agenda as item 4a for further consideration. Councilor Melton moved to approve the consent calendar as amended which consisted of approving the minutes of September 4, 2012, and accepting the August 2012 accounts payable and payroll check registers. Councilor Muenchrath seconded the motion which carried with Council President Kramer and Councilors Groth, Hanson, Melton, Muenchrath, and Vaughan voting aye. Mayor Shoji was absent.

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CH2MHill OMI Annual Report by Project Manager Patrick Kavan

CH2MHill OMI Project Manager Patrick Kavan provided an annual report on the activities and projects related to the operations and maintenance of the both wastewater treatment plants and the collection system. Mr. Kavan noted a small decrease in expenditures during fiscal year 2012 which resulted in a rebate to the City for the difference; advised OMI/City entered into a new five year contract starting fiscal year 2013. Councilor Groth requested clarification of how OMI and the City budgeted for repairs whereby Mr. Kavan clarified the City's contract with OMI included costs for repairs. Mr. Kavan stated there were a total of five spills in the collection system and provided the Council with video footage of examples of different types of blockages. OMI community service efforts included an annual salmon release at Blossom Gulch, a backpack program to help area school children with supplies, SOLV Oregon beach cleanup at Bastendorff beach, volunteering for the Veteran's Safety Stand Down, and donating trees to the City.

Acceptance of August 2012 Combined Cash Report

Councilor Groth requested the acceptance of the August 2012 combined cash report be moved from the consent calendar for further discussion. Councilor Groth inquired why the general fund summary non departmental expenditures were already 50 percent expended whereby Finance Director Susanne Baker advised the expense was for the City's annual liability insurance premium. Councilor Groth moved to accept the August 2012 combined cash report. Councilor Hanson seconded the motion which carried with Council President Kramer and Councilors Groth, Hanson, Melton, Muenchrath, and Vaughan voting aye. Mayor Shoji was absent.

Appointment to the Library Board

The Council interviewed applicants for appointment to the Library Board to fulfill Larry Plews' unexpired term ending June 30, 2014. Mr. Plews resigned from the Library Board on July 12, 2012. Applications were received from Peggy Bohannon, Teri Jones, and Donald Costello. By action of Council ballot the Council appointed Teri Jones to the Library Board for a term ending June 30, 2014. Council President Kramer encouraged the applicants who were not appointed to apply for other committees and board vacancies with the City for an opportunity to volunteer.

Approval of a Supplemental Budget for Emergency Repairs Due to the Library Fire – Approval Would Require Adoption of Resolution 12-22

Finance Director Susanne Baker stated the fire damage at the library was paid by the City's insurance provided and appropriated through Resolution 12-20 for FYE 2012. Additional costs to clean and repair library computers were expended during FYE 13, which required a supplemental budget and resolution to appropriate the expenditures. Ms. Baker advised actual cost of the computer cleaning was \$31,545 and would be paid in full by the City's insurance. The expenditure appropriation was proposed at \$50,000 to cover computer cleaning costs in addition to other claims associated with the library fire arising in FYE 13. Councilor Melton moved to declare an emergency to repair the Library due to a fire and adopt Resolution 12-22. Councilor Hanson seconded the motion which carried with Council President Kramer and Councilors Groth, Hanson, Melton, Muenchrath, and Vaughan voting aye. Mayor Shoji was absent.

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Presentation on Current Interest Rates by Finance Director Susanne Baker

Finance Director Susanne Baker briefly reviewed the Oregon Revised Statute covering depository requirements for public entities and stated on August 28, 2012 Umpqua Bank representatives advised staff they were informing all government clients they would be changing their methodology on how interest rates were paid. For the City, the change from a rate based upon five basis points above what the Local Government Investment Pool (LGIP) was paying, to a managed variable rate as determined by Umpqua Bank. Currently the LGIP was paying .60% and Umpqua had been paying .65%. Umpqua Bank was now offering a rate of .17% to government clients effective September 4, 2012. However, Umpqua Bank would provide the City of Coos Bay a rate of four basis points above the .17% (or .21%) until December 31, 2012. Ms. Baker briefly reviewed the City's investment guidelines and advised with the interest rate change at Umpqua Bank, further consideration of the City's investments was necessary in order to achieve a fair rate of return while preserving principal. Staff proposed to transfer the majority of the City's funds to the LGIP account to achieve a fair rate of return to preserve the City's principal, to continue to monitor interest rates, and to pursue a banking services Request for Proposal when applicable. Councilor Groth inquired if there were any restrictions for the City to access funds deposited with LGIP. Ms. Baker advised the City was not restricted in accessing the City's deposited funds with the exception of a dual signature requirement to transfer funds which was a practice set forth by the City. Councilor Muenchrath inquired as to the City's risk exposure with investment at the LGIP. Ms. Baker advised the LGIP created a reserve to offset potential losses.

Approval to Purchase a Police Patrol Vehicle

Police Captain Chris Chapanar stated the Police Department (PD) budgeted for purchase/replacement of two police service vehicles. The PD was working with Hubbard Chevrolet through the State of Oregon Cooperative Purchasing Program to identify the necessary factory options for police vehicles. Captain Chapanar advised in order to receive the vehicles in a timely manner, it was necessary to order both vehicles as soon as possible. The PD requested approval to order one vehicle at this time, noting the order and request to purchase the second vehicle would be made at a future date. Council President Kramer inquired why the PD was only seeking authorization to purchase one vehicle. City Manager Rodger Craddock advised due to unforeseen expenses the City was reprioritizing budgeted expenditures. Councilor Muenchrath moved to approve the purchase of one police service vehicle with the required factory options through the State of Oregon Cooperative Purchasing Program at a total cost not to exceed \$28,500. Councilor Groth seconded the motion which carried with Council President Kramer and Councilors Groth, Hanson, Melton, Muenchrath, and Vaughan voting aye. Mayor Shoji was absent.

City Attorney's Report

City Attorney Nate McClintock reminded the Council of the upcoming evaluation for the City Manager and requested the Council to submit their completed evaluations to him as soon as possible.

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City Manager's Report

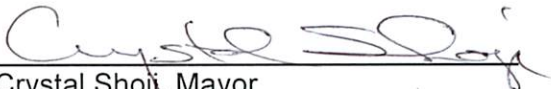
City Manager Rodger Craddock stated the fiscal year 2012 audit was completed with no audit findings and further noted the auditor reported there several were process developed by the Finance Department that the auditors were using as models for other cities. Mr. Craddock advised the October 2, 2012 Council meeting would take place in the newly remodeled Council Chambers and noted the rededication of City Hall was scheduled for the October 16, 2012 Council meeting.

Council Comments

Councilor Vaughan reported he recently toured Wastewater Treatment Plant No. 2; noted plastic bags were problematic for the treatment plants and requested staff to look into consideration of banning use of plastic bags. It was the consensus of the Council to direct staff to research for future consideration how other municipalities were addressing the use of plastic bags in addition to working with treatment plant staff to help identify possible benefits or advantages that could be gained by a proposed ban. Councilor Hanson commended the Finance Department staff on a successful audit and also expressed thanks to the Police Department. Councilor Kramer also commended the Finance Department staff and thanked the Police Department all their hard work.

Adjourn

There being no further business to come before the Council, Council President Kramer adjourned the meeting. The next regular Council meeting was scheduled for October 2, 2012 in the Council Chambers at City Hall.


Crystal Shoji, Mayor

Attest:


Susanne Baker, City Recorder