

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

April 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 Mark Daily, Jennifer Groth, Stephanie Kramer, Thomas Leahy, John Muenchrath, and Mike Vaughan. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Library Director Sami Pierson, Community Development Director Eric Day, Public Works Director Jim Hossley, Battalion Chief Dan Crutchfield, and Police Captain Chris Chapanar.

Flag Salute

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

City Manager Rodger Craddock announced an 8.2 magnitude earthquake event occurred just prior to 4:00 p.m. today off the coast of Chile; noted in the event a tsunami warning was issued, Public Works Director Jim Hossley would announce said warning and the Council meeting would end to allow staff time to attend to emergency management matters if the event progressed.

Councilor Vaughan entered the meeting.

Public Comments

Barbara Shamet, Coos Bay: provided ten reasons persons should vote "no" against the liquefied natural gas (LNG) pipeline; was in favor of clean energy (wind and solar) subsidy. Jon Hanson, Coos Bay: noted an article posted in the "Telegraph", a United Kingdom publication entitled "U.S. Fires Warning Shot at Russia with Gas Export Deal" which related to the Jordan Cove Energy project; stated he was naming the City and Council as defendants in a legal action regarding their participation in the project. Dana Gaub, Coos Bay: expressed dislike over the fracking methods used to extract natural gas. Robert Taylor, Coos Bay: suggested citizens were confused about the difference between LNG and the proposed South Coast Community Foundation.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the minutes of March 18, 2014. Councilor Groth moved to approve the consent calendar approving the minutes of March 18, 2014. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

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New Council Business

Councilor Daily suggested changing the Council meeting date from the first and third Tuesday to the first and third Monday of each month.

Presentation on the Child Abuse Prevention and Awareness Month Proclamation by Jessica Lowery of the Kids Hope Center

Police Captain Chris Chapanar introduced Jessica Lowery from the Kids Hope Center and Chief Deputy District Attorney Mark Monson. Captain Chapanar and Mayor Shoji read the proclamation aloud, declaring April 2014 as Child Abuse Prevention and Awareness Month. Ms. Lowery shared information about the operations and services provided by the Kids Hope Center formally known as the Child Abuse Intervention Center; noted various services provided to each child at the Center. Mr. Monson shared the importance of the Kids Hope Center and the services they provided. Councilor Kramer moved to approve the Child Abuse Prevention and Awareness Month proclamation. Councilor Daily seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

Presentation on the National Telecommunicator's Week Proclamation

Captain Chapanar introduced Dispatch Supervisor Tessa Cupp. Ms. Cupp and Mayor Shoji read the proclamation aloud, declaring April 13-19, 2014 as National Telecommunicator's Week. Councilor Muenchrath moved to approve the National Telecommunicator's Week proclamation. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

Presentation on Structural and Geotechnical Investigation of the Coos Bay Public Library

Public Works Director Jim Hossley stated the Coos Bay Library building had experienced superficial and structural damage due to settling; as such the City contracted with consulting firms SHN and ZCS to perform geotechnical and structural investigations on the building. Steve Donovan, Principal Engineer of SHN provided a summary of SHN's geotechnical investigative findings which concluded the existing pile was inadequate for support of the structure; groundwater fluctuation could be deteriorating the top of the timber pile, contributing to settlement observed; best option for remediation of the settlement and adequate support of the building was cased micropile installed to a depth of approximately 120' (into the underlying dense siltstone bedrock).

Councilor Daily inquired if boring technology existed when the library and/or the library addition was built whereby Mr. Donovan confirmed the technology did exist when the both the library and addition were built. Councilor Vaughan inquired if traffic was a contributing factor effecting friction loads on piling. Mr. Donovan suggested over time there would/could be various causes effecting friction load. Councilor Daily suggested the engineer and/or architect who signed off on the design/building of the Library should be held accountable; requested staff bring forward the names of the architect and engineer for the building of the Library. Mr. Donovan noted there was a geological component which contributed to buildings settling. Gary Vornoe, Geologist with SHN provided a brief overview of the geological setting of Marshfield; noted various buildings throughout Coos Bay which experienced settling due to foundations in bay mud being

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inadequate. Other concerns included liquefaction effect and lateral spreading. Mr. Donovan provided a history on building practices in Coos Bay and possible solutions for bay mud developments. Councilor Daily suggested a staff report on an “E” Library. No decisions were made.

Presentation on Wastewater Rate Fees and Structure by Steve Donovan of Donovan Enterprises

Public Works Director Jim Hossley stated Steve Donovan of Donovan Enterprises prepared the City’s current wastewater cost of service and rate study. Mr. Donovan provided the Council with a brief overview of the methods used to determine wastewater fees and annual rate increases; noting the City had a 20-year capital improvement plan totaling \$81.4 million with unfunded liability totaling \$68.81 million. Staff recommended funding strategy included: transferring cash built up in the revenue bond fund to help pay future debt service incurred for the capital improvement plan. The City would be the lead agency for securing future wastewater capital improvement loans. Bunker Hill and Charleston would be assessed for current and future wastewater treatment services based on the proportionate flow and load contributions to Plant 1 and 2. The five year forecast for changes in wastewater system revenue requirements necessitated approximately 6.5% in additional revenue each year.

Mr. Donovan shared the rate profile for average monthly single family residential wastewater bills with rates ranging from \$52.39 per month in 2014 and increasing to \$71.78 by 2019. Sewer rates were determined based on a cost of service analysis whereby system cost factors were determined based on grouping customers with similar usage characteristics and allocating costs to customer classes proportionate to system demands. Councilor Daily stated the sewer rate his restaurant paid was twice the rate he paid for his home; inquired why restaurants bared a greater burden of sewer costs. Mr. Donovan explained costs were associated by user class and were determined by averaging the strength of domestic sewage and measuring it by milligrams per liter of biological oxygen demand (BOD) and total suspended solids (TSS); noted each user class was billed a proportionate cost to treat the wastewater based amount consumed. Mr. Donovan stated by the end of fiscal year 2019, Charleston’s treatment fees would grow to \$550k per year; noted the City’s charter did not allow for the issuance of revenue bonds and recommended developing a strategy for the type of debt that would be issued in the future to fund wastewater system capital improvements. No decisions were made.

Consideration to Repeal Ordinances Related to the Design Review Committee and Approve the Establishment of the Design Assistance Team Ordinance – Approval Would Require Enactment of the Proposed Ordinance

Community Development Director Eric Day stated over the past months the City Council Rules Committee had been working to redefine the role and responsibilities of the Design Review Committee. Suggested changes included: Name change from Design Review Committee (DRC) to the Design Assistance Team (DAT); allowing the DAT to meet at pre-application conferences for all land use applications and for their comments to follow with the application through the Planning Commission and/or City Council review and to continue to meet to give direction on façade grant applications; maximum of two members, who did not reside or own a business within the Coos Bay city limits, may be appointed to the DAT; the DAT would

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undertake such other duties as may be delegated to it by the Community Development Director or City Council from time to time.

Mayor Shoji invited citizens to speak on the issue. Robert Taylor, Bandon: suggest façade loans should be more transparent and information about the loans be made available at free of charge. Hillary Baker, Coos Bay: stated she was the Chair of the Design Review Committee and was unclear as to how the new/proposed ordinance related to the Empire Design Standards. Mr. Day advised Council had postponed consideration of the Empire Design Standards. Christine Coles, Coos Bay: stated she was a planning commission member; spoke highly of the existing Design Review Committee process and questioned the need for change. No further comments were given.

Councilor Muenchrath clarified Mr. Taylor's comments noting Urban Renewal provided façade grants, not loans. Councilor Kramer moved to enact the proposed draft ordinance repealing prior ordinances related to the Design Review Committee and establishing the Design Assistance Team. Councilor Daily seconded the motion. Councilor Muenchrath was not in favor of limiting membership (if qualified) to only two members, who did not reside or own a business within the Coos Bay city limits. With no further discussion, Deputy Finance Director Amy Kinnaman read the ordinance by title only and Ordinance No. 456 was enacted by the following vote:

Aye:	Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan
No:	None
Absent:	None

Approval of the Revised Resolution Regulating Transient Business – Approval Would Require Adoption of Resolution 14-06

Due to the late hour it was consensus of the Council to postpone approval of the revised resolution regulating transient business for future consideration at a meeting date yet to be determined.

Request for Insurance Waiver for the Memorial Day Parade

City Manager Rodger Craddock stated the AMVETS organization submitted a Special Event Permit Application to sponsor the annual Memorial Day Parade in the city. In the past AMVETS was not asked to provide a certificate of insurance naming the city as additionally insured. Mr. Craddock advised the AMVETS requested an insurance waiver for the special event permit as required by the City's Administrative Directive No. 6. Mayor Shoji moved to approve the waiver of insurance requirements for the AMVETS Memorial Parade Special Events Permit, per the City of Coos Bay Administrative Directive #6. Councilor Muenchrath seconded the motion. Councilor Daily suggested staff place no parking signs along the parade route to prevent people from parking along the route. A call for the question was made which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

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Approval of Purchase and Installation of Backup Warning Sensors to Police Department Vehicle

City Manager Rodger Craddock stated on December 17, 2013 the Council approved the purchase of a 2014 Chevrolet Caprice along with the necessary emergency equipment for a total not to exceed \$33,000. Mr. Craddock noted the City implemented a vehicle backup safety program last year; after Council approved the not to exceed purchase of \$33,000 it was discovered that back up sensors were not available as a factory add on resulting in additional costs; there were also unforeseen changes in equipment fit, design, and labor. The total cost to purchase the vehicle and equipment was \$33,799.05. Councilor Muenchrath moved to approve the revised purchase price of \$33,799.05. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

Councilor Appointment to the Coos Bay/North Bend Water Board Budget Committee

City Manager Rodger Craddock stated staff received a letter from Rob Schab, General Manager of the Coos Bay-North Bend Water Board (CBNBWB) requesting an appointment of a Coos Bay City Council Member to their upcoming Budget Committee. Mr. Craddock stated the CBNBWB Budget Committee did not have term limits; noted Councilor Groth had served as the Council representative for the last three years. Councilor Kramer moved to appoint Councilor Groth to represent the City of Coos Bay on the CBNBWB Budget Committee. Mayor Shoji seconded the motion which carried with Mayor Shoji and Councilors Daily, Groth, Kramer, Leahy, Muenchrath, and Vaughan voting aye.

Authorization of Membership in the South Coast Community Foundation and Ratification of the Proposed By-Laws and Initial Directors

City Manager Rodger Craddock stated the City was working in partnership with the City of North Bend, Coos County, and the International Port of Coos Bay as the four legally designated sponsors of the Bay Area Enterprise Zone to develop a Community Enhancement Plan (CEP). The CEP rested on the legal authority of the Enterprise Zone to grant a long-term rural enterprise property tax exemption to Jordan Cove Energy Partnership (JCEP), and included within the tax exemption was a condition requiring JCEP to pay a community service fee (CSF) to be distributed according to the terms of the CEP. One of the main tenets of the CEP involved the creation of a non-profit foundation called the South Coast Community Foundation (SCCF) to manage a share of the CSF funds as an endowment for the benefit of the current and future education needs of Coos and Western Douglas Counties. Mr. Craddock stated in order to further the development of the CEP and begin the process of developing answers to questions raised, it was necessary to ratify the formation of the SCCF, appoint its initial board of directors, and empower the Foundation Board to continue working with stakeholders and the Enterprise Zone Committee to flesh out the details of the SCCF's part of the CEP.

Councilor Groth stated she and Councilor Daily were the City of Coos Bay representatives for the Community Enhancement Plan Work Group; the group met for the first time on Monday, March 31st. Councilor Groth stated other membership included two representatives (each) from the Port of Coos Bay, City of North Bend, and Coos County. Councilor Groth was appointed Chair, Coos County Commissioner John Sweet was appointed Vice Chair of the Community

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Enhancement Plan Work Group; meetings were scheduled to take place every Monday from 1-4 p.m. in conference room at the Port of Coos Bay. The City of Coos Bay agreed to provide staffing to take minutes at the meeting; decision making process would be by consensus and/or by vote if necessary. Councilor Groth stated the group would follow public meeting law by providing adequate notice of the meetings. To start, the group assembled a list of issues previously brought forth during the various public meeting and forums held to date; created two sub-groups (Bay Front Investment and South Coast Community Foundation) to help address certain issues in more detail. The overall plan was for the group to continue to work through the details to provide more transparency and address questions presented by the public.

Mr. Craddock stated providing transparency was important to the enterprise zone sponsors in addition to the sponsors remaining in control of the by-laws of the foundation. To date both the Port Commission and the North Bend City Council authorized their agency's membership in the SCCF and ratified the initial board members and the initial by-laws of the SCCF. Coos County Commissioners tabled their decision and were seeking additional changes.

John Whitty, Coos Bay: stated the Jordan Cove Energy project would add an additional \$4 billion dollars in assessed taxation; recommended creation of the non-profit foundation to manage a share of the CSF funds as an endowment for the benefit of the current and future educational needs of the local area. Mr. Whitty reviewed the initial/suggested by-laws of the SCCF. Bill Lansing, Coos Bay: provided a brief overview on how the State of Oregon distributed education funds to local area schools; highlighted the financial benefits of the Jordan Cove Energy project and how the SCCF could help education and local area schools. Dale Penny, Bandon: suggested education standards needed to be upgraded. Robert Taylor, Bandon: stated he was not in favor of government economic development programs; opposed the Council authorizing membership in the SCCF. Phillip Thompson, Coos Bay: suggested there was a lack of support for the SCCF due to lack of transparency. Fred Jacquot, North Bend: thanked the founding members of the SCCF for starting the process; stated quality of life was based on quality of community and quality of schools was imperative to communities; spoke in favor of the SCCF. Dick Moore, Coos Bay: suggested Jordon Cove should have met with schools and cities on an individual basis to draw up contracts. Jody McCaffree, North Bend: suggested the method for distributing funds needed be more transparent and that representatives needed to be elected; recommended the Council table consideration of the SCCF. Rick Skinner, Coos Bay: stated he supported the Jordon Cove Energy project and the SCCF. Mike Washburn, Coos Bay: urged the Council not to join the SCCF and suggested it should be government/voter based membership. George Smith, Coos Bay: suggested the SCCF needed direct public scrutiny and urged more transparency. Barbara Shamet, Coos Bay: suggested the Jordon Cove Energy Project was corrupt; urged the Council to not support the SCCF. JC Williams, North Bend: suggested China would own the Jordon Cove Energy Project; advocated the need for more public input; suggested there would be consequences for withholding money from the State of Oregon. Mark McKelvey, Coos Bay: suggested the education foundation was a good idea; expressed concern about Jordan Cove's 50% payment in lieu of taxes and the impact to the community. Jon Hanson, Coos Bay: requested a report on the legal and statutory authority on the formation of the SCCF. Steve Kridlebaugh, Coos Bay: stated the purpose of an urban renewal and enterprise zone was to assist economically depressed areas; suggested the SCCF was legal and urged Council support for the foundation. Dana Gaub, Coos Bay: stated he opposed the Jordan Cove Energy project and formation of the SCCF; suggested the Port of Coos Bay was not representative to community interest groups.

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Mr. Whitty stated the SCCF Corporation was formed under the provisions of Oregon Revised Statutes and was in compliance of all required laws. Councilor Daily inquired if there would be an issue if the elected bodies appointed seven districts with the founding members of the SCCF acting as advisors to the districts. Mr. Lansing stated he was not willing to entertain such suggestion.

City Manager Rodger Craddock stated as a Bay Area Enterprise Zone sponsors the Council was being asked to authorize and/or consent to their membership in the SCCF and to ratify Bill Lansing, Joanne Verger, and John Whitty as the initial directors. In addition, the sponsors were asked to ratify the initial by-laws of the SCCF, and consent to appoint one of the remaining four (4) members of the SCCF Board. Councilors Muenchrath and Daily stated they were not in favor of supporting the by-laws and recommended the SCCF board be required to follow public meeting laws. Councilor Groth stated she attended many of the public meetings and forums; expressed that it was important for the City, County, and School District to begin planning for the potential impact on the local community should the Jordan Cove project come to fruition; was in favor of supporting SCCF membership and ratifying the three members. Councilor Daily suggested the State of Oregon needed to be on board with the SCCF and recommended enterprise zone members appoint a board member along with the seven schools within the district appointing three members. Councilor Kramer was in favor of money going to schools and was in support of the SCCF following open meeting laws. Councilor Vaughan suggested the need for further discussion on the matter. Mayor Shoji was in favor of planning for the future; suggested the money used during the enterprise zone period would not be public money.

Mayor Shoji moved to ratify Bill Lansing, Joanne Verger, and John Whitty as the initial directors. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Groth, Leahy, and Vaughan voting aye and Councilors Daily, Kramer, and Muenchrath voting nay. Mayor Shoji motioned to consent to membership in the SCCF. Councilor Groth seconded the motioned which failed Mayor Shoji and Councilors Groth and Leahy voting aye and Councilors Daily, Kramer, Muenchrath, and Vaughan voting nay. It was the consensus of the Council to revisit consideration of membership in the SCCF and ratification of by-laws at a later date.

Presentation on Doing Business in Coos Bay

Due to the late hour it was the consensus of the Council to postpone approval of the presentation on doing business in Coos Bay for future consideration at a meeting date yet to be determined.

City Attorney's Report

No comments were given.

City Manager's Report

No comments were given.

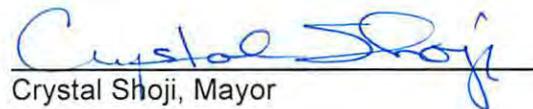
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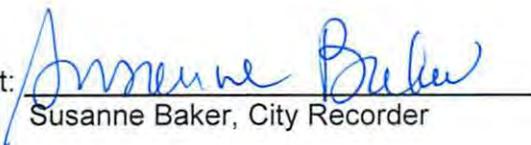
Council Comments

Councilor Daily highlighted various headlines about liquefied natural gas (LNG) disasters; stated he was not against LNG per se but cautioned it was not without risk. Councilor Groth asked for Council consensus on appointing a member to the Bay Front Investment Corporation Sub-Group; it was the consensus of the Council to appoint Mayor Shoji to the Bay Front Investment Corporation Sub-Group Committee. Councilor Muenchrath stated he appreciated the amount of feedback received regarding the discussion on the South Coast Community Foundation but felt the late hour of the meeting did not allow for Council to have a meaningful discussion on the matter.

Adjourn

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


Crystal Shoji, Mayor

Attest: 
Susanne Baker, City Recorder