

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

June 4, 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, Drew Farmer, Stephanie Kilmer, Phil Marler, Carmen Matthews, and Rob Miles. City staff present were City Manager Rodger Craddock, Finance Director Nichole Rutherford, Deputy Finance Director Melissa Olson, Public Works and Community Development Director Jim Hossley, Community Development Administrator Carolyn Johnson, Fire Chief Mark Anderson, and Police Captain Cal Mitts.

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 asked if the Coquille carousel would be coming to Coos Bay. City Manager Rodger Craddock stated the project was no longer being pursued and would not be coming to Coos Bay.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of:

- 3a: Approval of minutes of May 21, 2019
- 3b: Approval of minutes of May 28, 2019
- 3c: Adoption of Resolution 19-08 Extending Workers' Compensation Insurance Coverage to City Volunteers
- 3d: Adoption of Resolution 19-09 Authorizing Inter-fund Borrowing & Loans

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

Report by Marshfield High School Key Club Members

Marshfield High School (MHS) Key Club representatives Emerald Russell and Zachariah Sahli summarized upcoming Key Club activities, shared various ongoing fundraising activities and achievements by various MHS clubs, committees, and athletic teams. Mr. Sahli stated

the Parks Commission denied additional park equipment, but would bring back to the Commission in the Fall. Ms. Russell stated 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.

A Public Hearing Held to Consider Approval of a Proposed Ordinance Regulating Indoor Marijuana Processing Businesses – Approval Would Require Enactment of the 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 an average \$50,000 per year of state revenue sharing of collected marijuana tax. Marijuana tax revenue was 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 map exhibits were presented to Council. Proposed changes to the Coos Bay Municipal Code (CBMC) Title 17 were 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 which was only proposed for indoor growing.

On May 14, 2019, the Planning Commission reviewed the revised regulations and forwarded to Council for approval. On May 21, 2019, Council was presented with a draft ordinance for CBMC Title 17 amendments to include new language for the production of marijuana, development and operational standards for marijuana related businesses, and new text for inclusion of indoor and outdoor agriculture.

Mayor Joe Benetti opened the public hearing for public comments. No comments were made and the public hearing was closed.

Councilor Farmer moved to enact the proposed ordinance regulating indoor marijuana processing businesses. Councilor Marler seconded the motion. Deputy Finance Director Melissa Olson read the ordinance by title only and Ordinance 513 was enacted by the following vote:

Aye: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Nay: None.

Absent: None.

Public Hearing on the Use of State Revenue Sharing Funds - Approval to Accept the Funds Would Require Adoption of Resolution 19-10

Finance Director Nichole Rutherford provided a brief history on the State Revenue Sharing Funds program. Ms. Rutherford stated as a requirement of state revenue sharing funds program, a public hearing was held before the Budget Committee on April 11, 2019. In

accordance with ORS 221.770, a public hearing before the City Council was published and scheduled on June 4, 2019 for the purpose of taking public input on the use of State Revenue Sharing funds. Approval of the proposed resolution would provide notice to the State of the City's intent to participate in the State Revenue Sharing program.

Mayor Benetti opened the public hearing. No public comments were made and the hearing was closed.

Councilor Kilmer moved to adopt Resolution 19-10 accepting state revenue sharing funds. Councilor Marler seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Public Hearing on the Approved Fiscal Year 2019-2020 Budget - Adoption of Resolution 19-11 Would Adopt the Budget, Make Appropriations, and Levy Ad Valorem Taxes

Finance Director Nichole Rutherford stated the proposed budget for fiscal year 2019-2020 was reviewed on April 11, 2019 by the Coos Bay Budget Committee and was approved to be forwarded to the Coos Bay City Council for adoption. Approval of the proposed resolution would adopt the budget for fiscal year 2019-2020, set appropriations, and levy taxes. The Budget Committee's approved budget can be found on the City's website at <http://coosbay.org/departments/finance>.

Mayor Benetti opened the public hearing. No public comments were made and the hearing was closed.

Councilor Marler moved to adopt Resolution 19-11 for the fiscal year 2019-2020 budget. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Approval of Department of Environmental Quality State Revolving Fund Loan for Pump Station 17/Force Main Under the Bay Project and Corresponding Sponsorship Option Loan for S. 4th Street Green Parking Lot

Public Works and Community Development Director Jim Hossley stated the City's loan application through the Department of Environmental Quality (DEQ) State Revolving Fund (SRF) program to fund construction for the Pump Station 17 Upgrade and Force Main Under the Bay project was approved. The loan for Pump Station 17 and Force Main project is referred to as a "point source loan", and this program was how Plant #2 was funded. Additionally, the SRF program allows a public agency who is applying for a point source loan to take advantage of a Sponsorship Option (SO). This SO encourages communities to pursue water restoration or protection projects in conjunction with traditional wastewater projects by offering financial incentives. This means that the City can complete SO projects without additional impacts to ratepayers. This has no impact to ratepayers because DEQ reduces the combined loan's interest rate so the debt service for the combined project equals what the debt service would have been for the traditional wastewater project associated with the point source loan.

Per Council direction, staff applied for SO funding for South 4th Street Green Parking Lot. A draft copy of the loan agreement for construction funding for Pump Station 17 upgrade and Force Main Under the Bay project for an amount of \$3,610,838 and the corresponding pre-

design and environmental cross-cutters for the SO loan (South 4th Street Green Parking Lot) for an amount of \$100,000 was presented to Council. DEQ has created the SO loan in a two-phase approach: the original loan amount will complete the pre-design and environmental cross-cutters and once DEQ approves the pre-design and the city has obtained all the environmental cross-cutters, DEQ would amend the loan to include the final design and construction phase of this project. This amendment would increase the South 4th Street Green Parking Lot loan to \$446,340.

Councilor DiNovo moved to approve entering into an agreement with DEQ's SRF program for a \$3,610,838 Point Source Loan (Pump Station 17 and Force Main) and the \$100,000 Sponsorship Option (South 4th Street Green Parking Lot). Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Councilor Kilmer moved, contingent upon completion of pre-design and environmental approvals for the SO project, to approve an amendment for final design and construction that would bring the total SO loan amount to \$446,340. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles

Approval of Department of Environmental Quality State Revolving Fund Loan for Wastewater Treatment Plant 1 and Corresponding Sponsorship Option Loan for S. 2nd Street Green Parking Lot/Englewood School Brownfield Project

Public Works and Community Development Director Jim Hossley stated the city's loan application through the Department of Environmental Quality (DEQ) State Revolving Fund (SRF) program to fund design and construction for Wastewater Plant 1 Phase 1 Upgrade was approved. The loan for Plant 1 is referred to as a "point source loan", and this program is how Plant 2 was funded. Additionally, the SRF program allows a public agency who is applying for a point source loan to take advantage of a Sponsorship Option (SO). This SO encourages communities to pursue water restoration or protection projects in conjunction with traditional wastewater projects by offering financial incentives. This means that the city can complete SO projects without additional impacts to ratepayers. This has no impact to ratepayers because DEQ reduces the combined loan's interest rate so the debt service for the combined project equals what the debt service would have been for the traditional wastewater project associated with the point source loan.

Per Council direction, staff applied for SO funding for South 2nd Street Green Parking Lot and Englewood School Brownfield Project. A draft copy of the loan agreement for pre-design and environmental crosscutting funding for Wastewater Treatment Plant 1 Phase 1 Upgrade project for an amount of \$1,350,000 and the corresponding SO loan (South 2nd Green Parking Lot and Englewood School Brownfield) for an amount of \$165,000 was presented to Council. DEQ created these loans in a two-phase approach: the original loan amounts are to complete the pre-design and State and Federal environmental cross cutters and once DEQ approves the pre-design and the City has obtained all environmental cross cutters, DEQ would amend the loan to include the final design and construction phase of the projects. This amendment would increase the WWTP1 loan to \$14,365,156 and the SO loan to \$1,588,000.

Councilor Farmer moved to approve entering into an agreement with DEQ's SRF program for a \$1,350,000 Point Source Loan (Plant 1) and the \$165,000 Sponsorship Option (South 2nd Street Green Parking Lot and Englewood Brownfield). Councilor DiNovo seconded the

motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Councilor Matthews moved, contingent upon completion of pre-design and environmental approvals, to approve an amendment for final design and construction that would bring the total loan amounts to \$14,365,156 for the Point Source agreement and \$1,588,000 for the Sponsorship Option. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Award of Consulting Services and Construction Bid for Pump Station 8 Upgrade Project

Public Works and Community Development Director Jim Hossley stated Pump Station 8 (PS8) was a major pump station located along Newmark Avenue at the LaClair Avenue intersection. The pump station had been identified in the city's Wastewater Master Plan and the twenty (20) year take-down list. The city contracted with RH2 to perform design services. Bids were advertised, two bids were received, and were opened on May 23, 2019. The results were presented and the engineer's recommendation was to award the contract to Stettler Supply & Construction for \$846,300 plus a 15% contingency for the project. RH2 also submitted a scope and fee to perform construction management services for \$98,595. This project was the last project associated with the Loan #2 from Oregon Infrastructure Finance Authority (IFA).

Councilor DiNovo moved to approve the contract for RH2 to perform construction management services and award the bid for construction to Stettler Supply & Construction along with a 15% contingency for a total amount not to exceed of \$1,086,630. Councilor Miles seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Approval of a Transportation Growth Management Grant Letter of Support for Funding of Front Street Action Plan Projects

Community Development Administrator Carolyn Johnson stated the Oregon Department of Transportation's (ODOT) Transportation and Growth Management (TGM) Type Two grant application period was now open. Due by June 6, 2019, this grant was to "help local governments develop integrated land use and transportation plans and implement measures that encourage livable, affordable, and accessible communities for all ages and incomes; promote compact, mixed-use, walkable development to increase walking, biking and transit; or support physical, social, and economic needs." The TGM grant application is consistent with the Council goal to "Evaluate traffic patterns and competing transportation uses of Front Street to develop a traffic / pedestrian safety plan".

If awarded, the grant would fund technical work and public outreach for six of the seventeen Front Street Action Plan projects and their related tasks. The work would not be related to physical improvements; however, work funded by the grant would further need planning and technical assessments specified in the Plan. This work must be completed prior commencing the capital improvements along Front Street envisioned for multi-modal transportation, parking, and wayfinding. There is a 12% grant match requirement that could be provided in the form of staff time and materials. If the \$250,000 maximum grant amount was requested, a \$30,000 grant match would be required. For Council's consideration and City Manager signature, a support letter for a State of Oregon TGM Grant was presented.

Councilor Miles moved to authorize the City Manager to sign the 2019 Transportation Growth Management (TGM) grant application support letter. Councilor Kilmer seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

Approval of Emergency Operations Plan Amendments

Fire Chief Mark Anderson stated management staff had completed a review of the scheduled sections of the Emergency Operations Plan; one-third of the plan was reviewed, fourteen (14) sections, with ten (10) sections not having any recommended changes or updated department titles for combined departments. The major changes were residents were encouraged to be self-reliant for two weeks from three to five days, updated contact information, and updated emergency call lists. Approval of these revisions would amend the plan and the previous version would be archived.

Councilor Kilmer moved to approve the 2019 amendments to the City's Emergency Operations Plan. Councilor Matthews seconded the motion which carried. Ayes: Benetti, DiNovo, Farmer, Kilmer, Marler, Matthews, Miles.

City Manager's Report

City Manager Rodger Craddock stated Bayshore Motel was torn down and last of rubble was being cleaned up. Coos Bay Estuary Management Plan (CBEMP) joint meeting with the North Bend City Council and the Coos County Commissioners to discuss evaluation and draft CBEMP policy options held June 6, 2019 at 6:00 p.m. at the Coos Bay Public Library. The Clamboree and Glass Art Festival was scheduled for June 8 and 9, 2019, new this year would be a parade. Hollering Place ceremony celebration was scheduled for June 20, 2019. The LED sign at the Visitor Information Center, and the banner poles on south-bound 101 both need replacement. ODOT has provided an estimate of \$25,000 each to replace the banner poles. An additional LED sign can be installed for less than the cost of pole replacements. Additionally, the city would save 114 staff hours spent installing and removal of the banners each year. The Visitor Information Center would handle requests for banner postings. Councilor Marler requested the banner requirement policy be reviewed. Mr. Craddock would be on vacation June 10th through 14th, 2019.

Council Comments

Councilor Marler thanked staff, thanked Fire Chief Anderson for his work on the Emergency Operations Plan, and stated the Lions Club's annual fundraiser at Abby's Pizza was June 5, 2019. Councilor DiNovo received contact in response to question for sharps containers, would be attending the Water Board Budget meeting, and congratulated Councilor Miles for completing the emergency operations training. Councilor Kilmer stated the Homeless Workgroup had a great meeting the previous week, thanked staff for compiling information for the Workgroup, and noted the Workgroup would meet again in August 2019. Councilor Miles stated Boys and Girls Club's Pacific School of Dance had their recital last weekend and encouraged everyone to support the arts. Mayor Benetti requested Fire Chief Anderson present on the Emergency Operations Plan's two week self-reliance to local clubs and agencies and thanked Councilors for their work with the Homeless Workgroup.

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 18, 2019 in the Council Chambers at City Hall.



Joe Benetti, Mayor

Attest: Nichole Rutherford
Nichole Rutherford, City Recorder