

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

August 6, 1996

The minutes of the proceedings of the regular meeting of the City Council of the City of Coos Bay, Coos County, Oregon, beginning with a work session in the Council Chambers at 7:00 p.m. and proceeding to a regular session in the Council Chambers at 7:30 p.m.

Those Present

Those present were Mayor Joanne Verger, Councilors Joe Benetti, Gary Combs, Cindi Miller, Don Spangler, Judy Weeks, and Dave Williams. City staff present were City Manager Bill Grile, City Attorney Randall Tosh, Finance Director Gail George, Community Services Director Bruce Meithof, Fire Chief Cliff Vaniman, Police Chief Marc Adams, and Library Director Carol Ventgen. Members of the media were also present.

WORK SESSION

Mayor Verger gave the Council a report on the Oregon Mayor's conference she recently attended listing the various sessions. She then noted which measures the Mayors voted to support and oppose. Mayor Verger outlined the resolutions passed by the group and said she felt it was a good meeting and a lot was accomplished. Councilor Combs thanked Mayor Verger for taking the time to attend the meeting. Mayor Verger reviewed the agenda and requested an update on the impact of the skateboard park during the regular meeting. She asked City Manager Bill Grile to give a presentation on the Operations Management International (OMI) agreement on the agenda as item number seven. Mr. Grile explained the cost containment feature in the OMI contract noting that the cost in the second year would not exceed the cost of the first year and following years would be negotiated, but would not exceed the prior year cost plus a factor for the increase in the Consumer Price Index. He related his hope was that by year three or four the costs would flatten out due to greater efficiencies and better techniques of management. City Manager Grile pointed out the superb job City Attorney Randall Tosh did in working with OMI to get a contract agreeable to both the City and OMI. He noted the language about how much collection work would be done each year that has OMI dedicating a specified amount of manpower to this job, rather than stating a number of feet of lines to be cleaned each year. City Attorney Tosh explained the clauses showing the risk allocation in the contract regarding indirect and consequential damages and direct damages. He also explained the liability of OMI if they were negligent or failed to exercise due diligence. Mayor Verger said she talked to the mayor of Gresham who spoke of OMI as a partner and said the Gresham mayor was pleased to renew their contract for ten years.

COUNCIL MEETING

Flag Salute

Mayor Verger called the meeting to order and led the assembly in the salute to the flag.

Consent Calendar

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Mayor Verger read the consent calendar which consisted of the following items:

- a) Approval of the minutes of the regular meeting of July 16, 1996
- b) Approval of the minutes of a special meeting of July 22, 1996
- c) Approval of the renewal of an OLCC license for The Alibi
- d) Presentation of ballot measure for charter amendment
- e) Set a public hearing to review off-street parking paving requirements on Aug. 13, 1996
- f) Approval of Resolution 96-27 declaring the intent to make improvements on 20th Street and setting a public hearing on August 20, 1996

Councilor Weeks moved to approve the consent calendar as presented. Councilor Miller seconded the motion which carried with the Mayor and all Councilors present voting aye.

Safety Town Volunteer Recognition Presented by Officers Robert Lounsbury and Rob Scoville

Police Officers Robert Lounsbury and Rob Scoville explained the Safety Town program, noting the Bay Area Sportsman's Association has sponsored this activity for several years. Officers Lounsbury and Scoville then presented certificates of appreciation to the many teen volunteers who each donated at least forty hours of their time to help the program work. Certificates of appreciation were also presented to the teachers who helped with the program.

Amendments to Ordinance No. 228 Regulating the Use of Skateboards and Similar Devices

City Manager Grile explained the changes to the ordinance would allow rollerblades to be used in some areas where they had previously been prohibited, but rollerbladers are still prohibited from engaging in the activity in a negligent or reckless manner. Councilor Combs said he felt the proposed language was a good compromise. Mayor Verger asked Police Chief Marc Adams how the situation at the skateboard park was doing. Chief Adams said he felt the zero tolerance of violations was having a positive effect on the problems. Councilor Weeks said one solution might be to build more skateboard parks with age limits at each one. Councilor Miller reported speaking to the owner of Taco Bell who informed her he was not having any problems with those using the skateboard park. Mayor Verger directed staff to prepare an ordinance with the proposed wording and bring it back to the Council.

Lighting for Mingus Park - Use of Bike Path Funds

City Manager Grile reported Bike Path funds could be used to light the trails at Mingus Park if the trails were dedicated rights-of-way. When asked what action was needed, Mr. Grile said this was brought to the Council as there was some concern that neighbors may not want the trails lit. Director of Community Services Bruce Meithof said the type of lights used would be similar to the downtown period lighting. Councilor Combs asked what hours the trails would be lit and Mr. Grile felt there should be a recommendation from the Parks Commission regarding this type of detail. Mayor Verger said she would like to see several schemes of different levels of lighting to provide

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safety in the park after dark. Chief Adams said he was very much in favor of lighting the trails noting this is crime prevention through environmental design. Mr. Meithof said the lights would be spaced far enough apart to not be too bright, but bright enough to provide safety. There was no objection by anyone on the Council to having staff prepare the necessary papers for dedicating the trails.

Contract for Wastewater-Storm Water Management

City Manager Grile reviewed the Council's earlier decision to proceed with an agreement with OMI provided the City's employees were dealt with fairly and cost containment provisions were included. He pointed out OMI has agreed to offer positions to all current City wastewater employees at their current salaries. Mr. Grile explained that if the Council were to approve the agreement, current Wastewater employees would be given termination notices and would then have an opportunity to "bump" other union employees under the terms of their current labor contract. Mr. Grile reviewed the compensation clause in the contract, presenting the same information that had been given in the work session. He reported that although he was previously opposed to contracting out the operations and management of our wastewater system, he now feels contracting out is the best thing we can do for the citizens and ratepayers of the City.

Councilor Spangler asked if section 4.1.6 means that OMI will assess the collections system. Mr. Grile replied that would occur plus the plants will also be assessed. Councilor Spangler then asked about the 5 percent administrative fee in 6.8.2 and was told this provision was optional and would probably be used only if OMI had a competitive edge in the purchasing because they were not bound by government purchasing rules. Other questions about the fees in section 6.8 were asked and it was pointed out that all services and fees in that section would be for services requested by the City of Coos Bay.

Councilor Spangler asked about some language in Article 9 regarding whether or not a position was no longer required and Mr. Grile said OMI would make that determination. Mr. Thom Day, OMI, responded to the concern of positions being cut by saying that OMI is proposing a staff of 15, two more than currently employed by the City. He said he could not see a reduction of staff in the foreseeable future. Mr. Day pointed out any future cost savings would be shared by the City and OMI under the terms of the agreement. Mayor Verger said the City was in a similar position of not being able to guarantee jobs either.

Councilor Combs said this was a difficult decision but that the City needed a closer rein on costs, maintenance, and operation of the wastewater system and to be responsible to the ratepayers. He said he was skeptical about what was being proposed in regards to losing control of costs, but felt this was a professional and reasonable option for the current situation. Councilor Williams said he felt this was a good contract and the City would never have a contract with 100 percent guarantees on everything. He acknowledged the unknowns and was in favor of contracting with OMI for their expertise.

Councilor Miller reported talking to people from other cities where OMI's contracting was anticipated with fear, and the concerns turned out to be unfounded. Councilor Benetti asked if there was any term for which the current employees would be guaranteed employment. Mr. Day said employees would be filling permanent positions as long as they were performing satisfactorily.

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Councilor Weeks asked if there was a probationary period and Mr. Day said their probation period was the same as the City's, six months.

Councilor Benetti asked about the maintenance of the equipment and who would determine when it needed to be replaced. Mr. Grile said all that would be negotiated and OMI would have no power to just purchase equipment that the City is paying for. Mayor Verger asked if our equipment list looked long compared to Gresham's and Mr. Day replied that the proposed scope of services is greater here than at Gresham. He further explained the reason for having the City retain and maintain the equipment was to disrupt other City departments as little as possible, such as the mechanics. Mr. Grile pointed out the language in Appendix A which sets out in writing that decisions to replace equipment for costs in excess of \$2,000 had to be approved by the City. Councilor Spangler asked who determines if there has been a material breach as set out in Article 11. Mr. Tosh said the City would make this determination.

Monte Snyder, president of Local AFSCME 2892, said the union agrees that the problems in wastewater have been mostly management and appreciated the good comments the Council has had about the employees. Mr. Snyder began to inform the council what the impacts of their decision would be. The Council was cautioned by the City Attorney to listen, but make no comments at this time as this would be discussed during the executive session because it is part of labor negotiations which are in progress.

David Hudson, wastewater employee, said he felt OMI was a good company, but would cost the city over \$1,000,000 additional in five years. Mr. Grile said that was not true and wanted the media and citizens in the audience to know there was a cap on the costs and the City would not be spending an additional \$1,000,000 by signing an agreement with OMI. Mayor Verger expressed concern about having labor negotiations and receiving additional information after the contract was approved. Mr. Grile explained that unless the Council accepts the contract, there are no impacts to bargain.

Councilor Combs asked for clarification on Mr. Hudson's claim that it would cost \$1,000,000 more and Mr. Hudson referred to Article 6 of the agreement showing an estimated direct cost of \$1,095,171 plus a 19 percent management fee. It was explained by Mr. Grile and Gail George that the total of \$1,276,215, which includes the 19 percent management fee was the figure used by City staff to compare their proposal to the current costs. Finance Director George said the City could not provide the current services for the \$1,095,171 as stated by David Hudson. In answer to Councilor Combs question, Mr. Grile stated that David Hudson was wrong in his reasoning and his statement was untrue.

Executive Session

Councilor Weeks moved that the Council go into executive session pursuant to ORS 192.660 (1)(d) personnel matters. The motion was seconded by Councilor Miller and carried with the Mayor and all Councilors voting aye.

RECONVENE TO REGULAR SESSION

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Contract for Wastewater-Storm Water Management

Councilor Miller moved to approve the contract and authorize the City Manager to execute the contract. The motion was seconded by Councilor Weeks and carried with the Mayor and all Councilors voting aye.

Report from the City Manager on Library Expansion Project Financing

City Manager Grile expressed his disappointment of recent information, beyond the control of local citizens, which impacts the financing of the library project using long term bonds. He related the impacts are coming from the Sizemore "cut and cap" property tax initiative on the November ballot and the effects of compression from Ballot Measure 5 which is occurring sooner than expected. Mr. Grile outlined the effect the Sizemore initiative would have on the City's General Fund which would lose approximately \$2,700,000 in tax revenue over the next three years.

Mr. Grile pointed out the worst case scenario would have the legislature re-allocating the tax revenues, and perhaps doing away with urban renewal tax increment revenues all together. Mr. Grile then presented information on new predictions of when compression under Ballot Measure 5 would occur, which is as soon as 1998/99.

Mr. Grile reviewed his recommendations and noted that only these two external factors, not the Larson initiative, are driving his recommendations. His recommendations to the Council are to look at suspending the preparation of the construction drawings, to have staff, the Library Board, and members of Council work together to develop a new financing plan for the project, and direct staff to carefully evaluate the budget and determine if other urban renewal projects should be curtailed. Library Director Carol Ventgen said she had talked with Bruce Meithof, Director of Community Services, and the project's architect, Rich Turi, and both agreed it would be more cost effective to complete the construction drawings at this time and then review them for code changes at the time the project goes into construction. When asked, Mr. Turi said the drawings were not half completed and Mayor Verger asked the manager for his opinion. Mr. Grile said he did not have enough information to make a recommendation at this time and the Mayor said perhaps the drawings should at least be held up until a decision was made.

Chris Guernsey, Chair of the Library Board, thanked Bill Grile, Councilor Benetti and Gail George for coming to their meeting and explaining the funding crunch and disappointing news before they read it in the paper. Mrs. Guernsey said the Board would like to look at temporary solutions to the current over-crowding situation and will bring recommendations back to the Council when a workable plan is formulated. She also said they would enjoy working with Mr. Benetti and any other Councilors who wished to help them.

Ralph Larson, Coos Bay, said he wanted to talk about the manner in which the Council, with the exception of Councilor Spangler, have handled the library project, especially refusing to put the question on the ballot. He announced he has filed as a candidate for City Council and has received a legal opinion that his initiative will effect urban renewal. Councilor Spangler said he still felt the City needed to have the people vote on the size of the project and commented that he knew the Sizemore issue was in the works in November 1995 from the League of Oregon Cities, and it was not a new factor. Mayor Verger said she did not believe the League at that time knew if the

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Sizemore issue would even make the ballot, let alone pass. Councilor Spangler said it was not clear to him that the citizens were behind the library project. Mayor Verger said she felt the nay sayers were not productive and she would like to get beyond that.

Public Comments

Ralph Larson, Coos Bay, said he helped circulate the Sizemore petitions here, and they were not just circulated in Portland as he believed the Mayor to state. Mayor Verger said she said the people in this area voted for a requirement that signatures be gathered around the state for measures to qualify for the ballot, not just in Portland area.

Ken Harlan, Coos Bay, said he felt there were some city employees who were very helpful and appreciated the information he was able to get from Gail George.

Sergeant Webster, North Bend, complimented the City Council for the many things they have done and reminded them he is very interested in the problem with the Mission. He read an article from a newspaper listing how many people visited the state parks out on Cape Arago and passed by the downtown Empire area which he feels needs improvements. Mr. Webster said he felt Mr. Grile has changed his position from encouraging development in Empire to now supporting the Mission, which Mr. Webster feels is wrong.

City Attorney's Report

City Attorney Randall Tosh said now that the OMI contract was done he could move on to other things.

City Manager's Report

City Manager Bill Grile reported authorizing Chief Adams to look at putting together a proposal for a community police station in the Ed Lund building in Empire. He informed the Council they would have an infrastructure plan to look at their next meeting. Mr. Grile reported he and Bruce Meithof had met with Steve Clay regarding mall block four and told Mr. Clay the plans needed to be scaled back. He requested the Mayor reschedule the executive session recently canceled and mentioned he has received some complaints about the appearance of City Hall. In response to the complaints, he told the Council he has quotes for re-painting and a new color scheme which they are welcome to drop by his office and look at.

Council Comments

Councilor Williams said he agreed with the letter received from Mr. Williams about the condition of our dock and would like to see the City proceed with looking at his suggestions.

Councilor Miller encouraged everyone to take a look at the Safety Town program when it is in session next year.

Councilor Benetti said the Council was already being prudent in looking at long term financing by accepting an earlier staff recommendation of waiting until after the election before

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proceeding any further.

Councilor Combs said he supports the library project and would like to see the plans finished. He gave a report of the recent Parks Commission meeting suggesting better signs identifying Mingus Park.

Councilor Weeks said she was sorry to see the library project delayed and commended Bill Grile and Randall Tosh for their work on the OMI agreement.

Mayor Verger said she felt the voters needed to know the financial impact when they vote, such as the cost associated with the prison measures recently voted in. She related she heard a report showing Governor Kitzhaber is concerned about the "disinvestment" in Oregon. She complimented The World newspaper on their support of the City on the library and other issues.

With the consensus of the Council, Mayor Verger set a special executive session on Tuesday, September 10, 1996 at 7:00 p.m. to discuss potential litigation.

Adjournment

There being no further business to come before the Council, Mayor Verger adjourned the meeting to August 20, 1996 at 7:00 p.m. in the Council Chambers of City Hall.

Joanne Verger
Mayor of the City of Coos Bay
Coos County, Oregon

ATTEST:

Joyce Jansen
Deputy Recorder of the City of Coos Bay
Coos County, Oregon