

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
September 1, 2015	

TO: Mayor Shoji and City Councilors
FROM: Jim Hossley, Public Works Director 
THROUGH: Rodger Craddock, City Manager
ISSUE: Ed Lund Building Fire (Renovation)

BACKGROUND:

On August 23, 2015 at approximately 3:00 pm the City owned Ed Lund building on South Wall Street in Empire caught fire and suffered extensive damage to the interior and exterior of the facility. The City has an agreement with PEG Broadcasting Services, Inc. an Oregon non-profit 501(C) (3) corporation to occupy the facility. In lieu of paying rent, PEG provides videotaping of programs/meetings the City holds. The building structure is insured through CIS, the City's insurance provider. PEG carries insurance on the contents within the building. Directed by the City's insurance provider, the City obtained costs to mitigate the smoke and fire damage caused by the fire from Willamette Valley Restoration at a cost of approximately \$44,657.10. In addition, the facility will require asbestos mitigation and temporary security fencing for public safety.

Budget appropriation through the supplemental budget process is needed to comply with Oregon budget law for the cost of the repairs as a result of the fire at the Ed Lund Building. The repairs are being funded by the City's insurance provider, CIS, with the City subject to a \$1,000 deductible. Because the Ed Lund Building is a City asset, Oregon budget law requires Council to provide appropriation authority for the expenditures related to the restoration even though the funds are going directly to the contractor, by the insurance provider, on behalf of the City. At the time this memo was written, the total amount of the claim has not yet been finalized and therefore the amount proposed in the resolution (15-17) is a conservative approach to ensure compliance with Oregon budget law. Additionally, to comply with state statutes, the City Council will need to declare the fire at the Ed Lund Building an emergency to ratify the efforts made to expeditiously restore public operations.

ADVANTAGES:

Mitigate fire damage and restore the historic Ed Lund community building.

DISADVANTAGES:

None.

BUDGET IMPLICATIONS:

Willamette Valley Restoration estimate to repair fire and smoke damage is \$44,657.10; staff recommends a contingency of \$5,342.90 for a total amount of \$50,000. Other costs known at this time for services and materials to be provided by other contractors are asbestos mitigation for approximately \$925.00 and security fencing for 2 months for \$1,050.00. The fire damage to the Ed Lund building is covered under the City's general property policy with CIS. The City's deductible and "out of pocket cost" is \$1,000.00.

ACTION REQUESTED:

If it pleases the council:

1. Declare an emergency to repair the Ed Lund Building due to a fire;
2. Adopt Resolution 15-17; and
3. Award the remediation contract to Willamette Valley Restoration for and amount up to \$50,000.

ATTACHEMENTS:

Resolution 15-17

City of Coos Bay

Resolution 15- 17

A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON ADOPTING A SUPPLEMENTAL BUDGET APPROPRIATING INSURANCE PROCEEDS INTO THE GENERAL FUND AND DECLARING REPAIR OF THE ED LUND BUILDING DUE TO A FIRE EMERGENCY.

WHEREAS, the City of Coos Bay has complied with the provisions of ORS 294.471 to appropriate funds to adjust one fund's expenditures by less than 10% of the fund's adopted expenditure total; the governing body at a regularly scheduled meeting shall adopt a supplemental budget by resolution stating the need, purpose, and amount of the appropriation; provide notice of the meeting by publishing not less than five days before the meeting noting a supplemental budget will be considered; and

WHEREAS, the City of Coos Bay, Coos County, Oregon declares an emergency to repair the Ed Lund Building necessary due to a recent fire and contracted with the City's insurance provider's choice of contractor for the work to be performed; and

WHEREAS, the City of Coos Bay, Coos County, Oregon has complied with the provisions of ORS 294.471(e) appropriating proceeds from the involuntary destruction of property that necessitates the immediate purchase, construction or acquisition of different facilities in order to carry on governmental operations at the Ed Lund Building due to a fire; and

WHEREAS, Oregon Administrative Rule 839-025-0004(9)(B)(iii) applies to the fire restoration work performed at the Ed Lund Building and defines using insurance proceeds that belong to a public agency to pay for construction. Insurance proceeds represent "money collected for the custody and control of a public agency" and therefore are funds of a public agency, whether the contractor obtains payment directly from the insurance company or the public agency; and

WHEREAS, the resources and requirements have been determined and set forth as below:

General Fund		
Resources	Other Financing Sources/Uses	\$75,000
Requirements	General Government Capital Outlay	75,000
	New Total Capital Outlay	\$ 75,000
	New Total General Government Appropriation	1,390,278
	New Total General Fund Requirements	12,703,538

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Coos Bay, Coos County Oregon hereby adopts the FY 2015-2016 supplemental budget as set forth above, and appropriates the sums as shown.

The foregoing resolution was duly adopted by the City of Coos Bay, Coos County, Oregon this 1st day of September 2015, effective August 24, 2015.

Crystal Shoji, Mayor

ATTEST: _____
Susanne Baker, City Recorder