

## **MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL**

**August 3, 1999**

The minutes of the proceedings of the regular meeting of the City Council of the City of Coos Bay, Coos County, Oregon, beginning at 6 p.m. with a work session in the Council Chambers and proceeding to a regular session at 7:30 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

### **Those Present**

Those present were Mayor Joanne Verger, Councilors Joe Benetti, Jeff McKeown, Don Spangler, Kevin Stufflebean, and Judy Weeks. Councilor Cindi Miller was out of town. City staff present were City Manager Bill Grile, Deputy Recorder Joyce Jansen, City Attorney Randall Tosh, Community Services Director Bill Finney, Finance Director Janell Howard, Fire Chief Stan Gibson, OMI Assistant Manager Mike McDaniel, and Police Chief Chuck Knight.

### **WORK SESSION**

City Manager Bill Grile briefly reviewed the purpose of performing the wastewater rate study and commented it is not about sewer rates, but about maintaining the City's infrastructure and preparing for growth. Mr. Grile commented increasing rates is a sensitive issue and explained the video would help the Council understand the condition some of the lines are in. Mike McDaniel explained televising the lines helps determine where repairs are needed and the video shows a number of areas where the lines have deteriorated. Councilor Benetti commented a lot of the problem is the I & I and years ago the City built a plant large enough to handle the I & I. Mr. McDaniel commented the concern is the structural integrity of the lines. Mr. Grile reported it isn't an issue of changing philosophy, but one of the City running out of money to continue at the present rate of improvements.

Community Services Director Bill Finney reviewed the capital improvements program in the report which is consistent with the wastewater capital improvements approved by the Council. He noted a big expense in the five year period is the cost for the ultraviolet system for Plants I and II. There was discussion on the environmental reasons and funding for changing to the new system. Mr. Finney reported staff would be looking for grants to help pay the for ultraviolet system. Finance Director Janell Howard reviewed the budget concerns, carryover balance, the affect of OMI rebates, and the capital improvement plan. Ms. Howard reported if there is not increase in rates, the reserves would be down to less than \$100,000 in two years. Mr. Grile commented a ten percent rate increase has been factored in this year's budget. Mr. Grile reported the City has been spending \$350,000 annually for line maintenance and current revenues are insufficient to continue at this rate. Councilor McKeown inquired why additional funding would be required if the City would be spending the same as previously done. Mr. Grile reported the City is not spending more than budgeted, but in previous years, did not spend all that was budgeted. There was further discussion on the amount necessary to maintain the system and continue with capital improvement projects, and whether to go with the five-year plan as presented in the study. Mr. McDaniel reviewed the condition and capacity of various pump stations, and noted there would be steep fines for spills and overflows.

Mayor Verger cautioned about talking about only one year when it is a five-year plan being considered. Councilor Weeks apposed raising the rates due to the local economy. City Attorney Tosh commented the City could face permit violation problems if the City does not continue to make capital

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improvements. He noted other communities have had DEQ force improvements which resulted in major rate increases and loss of local control. Councilor Spangler inquired about the high increases for the next five years. Mr. Tosh noted the grants for building the plants require biennial review of the rates and it has been six years since Council reviewed the rates. Mayor Verger commented it is up to the staff to bring the review to the Council. Mr. Grile reported the Council does not have to raise rates or sustain the current level of spending; however, for the next budget season, staff may bring projects and maintenance to the Council for prioritization.

Marv Winer, Brown and Caldwell, explained the 1987 study did recommend some rate increases and the Council did not adopt the recommendation, but made adjustments and adopted their own rates. Mr. Grile noted the City received an EPA grant to improve the plants and one of the requirements in accepting the funding was that a rate study be conducted. Mayor Verger commented the Water Board's study found that single family residences put a greater strain on the system. Mr. Winer reported water usage is measured and is not looked at the same as wastewater treatment. Mr. Winer reviewed the capital improvements plan model and noted the improvements plan is what is driving the rate increase. Mr. Grile noted it may be possible to offset costs with grant funding. Mr. Winer reviewed the revenue requirements for the plan. Councilor McKeown commented the study is based on this year's budget, which is an unusual year. Councilor Benetti inquired what could be spent each year without increasing the rates. Mr. Winer reported \$250,000 could be spent, however, there are also other expenses to be considered such as OMI, emergency repairs, materials and supplies, and administration costs.

### **COUNCIL MEETING**

#### **Flag Salute**

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

#### **Consent Calendar**

Mayor Verger reviewed the consent calendar which consisted of approval of the June 17, 1999 work session minutes, approval of the July 6, 1999 meeting minutes, and authorization to enter into a cooperative fiber development agreement. Councilor Weeks moved to approve the consent calendar. Councilor Stufflebean seconded the motion which passed with the Mayor and all Councilors present voting aye.

#### **Presentation of Appreciation Certificate – by Ron Wood, State American Legion**

Ron Wood, co-chair for the State American Legion Convention, reported 685 delegates and guests attended the convention held recently in the Coos Bay-North Bend area. Mr. Wood expressed appreciation to John and Marie Martin for helping with the conference, and Attorney Roger Gould for volunteering legal services. Mr. Wood presented a certificate of appreciation to Mayor Verger for the City's cooperation in making the convention a success.

#### **Tourism and Promotions Committee Report – by Beve Saukko**

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Beve Saukko, Director of the Tourism and Promotions Committee, reported \$97,160 has been spent on advertizing the area and a number of conventions are already booked for the next three years. Ms. Saukko reported over 6,000 people toured the HM Endeavor while it was in port and she is working on getting the ships from the American Tall Ship Association here in 2002. Contact has also been made with the U.S. Navy and the Canadian Navy about bringing ships to Coos Bay. Councilor McKeown suggested swim team events also be courted and Ms. Saukko said she would make some contacts with them as well as wrestling events.

**Department Head Report – by Community Services  
Director Bill Finney**

Community Services Director Bill Finney distributed copies of project status report to the Council and noted the report includes a time line for each project as part of the description of the project. The report is helpful in keeping on top of projects and there are currently 37 projects. Mr. Finney commented the report does not represent everything the Community Services Department is doing; staff is also engaged in routine work and building activity this month is valued above \$100,000. Councilor Weeks inquired why resurfacing of the tennis court has been put off until next year. Mr. Finney reported the bid received was not consistent with what had been budgeted and staff will be re-bidding the project. Councilor Weeks asked when Council would be reviewing plans for the Fifth Street Plaza and Mr. Finney replied the project would be discussed at the August 17<sup>th</sup> Council meeting.

**Enactment of Ordinance No. 278 – Amending Ordinance  
No. 124, for the Protection of Streets in the City of Coos Bay**

City Manager Bill Grile briefly reviewed the ordinance amendment and reported truck owners had met with the City a number of times to work out a solution. Mr. Grile commended Councilor Weeks for working with the truckers and staff on the amendment. Councilor Weeks commented the section regarding exceeding the gross weight limitation has not previously been enforced and inquired if the Police Department would be enforcing this section. Police Chief Knight reported staff has some difficulty in enforcing the weight limitation without the availability of truck scales. He noted in the past the City has worked with the weighmaster and set up check points. Councilor Weeks requested staff follow up on this matter. There was further discussion on the ordinance regarding moving vans and auto transports delivering cars. Deputy Recorder Joyce Jansen read Ordinance No. 278 by title only and the ordinance was enacted by the following vote:

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|---------|--|
| Yes:    | Mayor Verger and Councilors Benetti, Spangler, Stufflebean and Weeks |
| No:     | Councilor McKeown  |
| Absent: | Councilor Miller   |

**Adoption of Resolution 99-26 – Wastewater Sewer Rate Increase**

Mayor Verger noted a work session on proposed wastewater rate increases was held prior to the regular council meeting. Marv Winer, Brown and Caldwell, reported the estimated 1999/2000 revenue would be \$1.8 million with total expenditures at \$2.4 million. Mr. Winer explained the difference is not recovered from the user rates, but from the City reserves and carryover. The report assumes the City will spend \$2.4 million in the second year with only \$38,000 from other sources because there would be no carryover, and including capital improvements of \$510,000. Councilor McKeown commented this year’s expenditures are budgeted at \$2.4 million and \$614,000 for capital improvements. City Manager Bill Grile reported \$350,000

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annually was the intended amount. Councilor Benetti inquired if materials and services should be factored in and basically the \$250,000 is to maintain the system. Mr. Grile noted the \$614,000 is for major capital projects. Finance Director Janell Howard reported \$50,000 is budgeted for emergency repairs and \$48,000 for the Water Board to handle the billing.

Mr. Winer reviewed the recommended rates and noted the change in the rate structure which would make a big difference to high strength dischargers. The structure would also change the fixed monthly category which is currently at \$4.50. Councilor Benetti commented the rates were adjusted in 1989. City Attorney Randall Tosh explained the 1989 changes were made as a condition of the grant; the condition was that the City would allocate costs according to the user's demand on the system. Mr. Winer explained alternative was for recovering I & I costs, either spread the cost to all customers or set up as part of the cost of doing business.

Councilor McKeown commented if the City continued at \$350,000 annually for capital improvements, the system would slowly be improved and there would be no need to increase allocation toward capital improvement funding. Mr. Grile commented the City would still be in good or better shape than other coastal communities. Mr. Winer noted if capital improvement funding were scaled back, the rate increase could be scaled down. Councilor Stufflebean suggested the rates be reviewed annually, rather than trying to do a large increase all at once, and also hold a public hearing. Councilor Benetti expressed concern about justifying the increase to the public and suggested looking at a three percent increase. Mr. Grile commented the Council could decide to spend less on projects; the only reason for the rate increase is to allow the City to continue capital improvements at the current level.

Councilor Spangler stated the study has created more questions than it has answered and he is disappointed the study did not concentrate on how to provide for the capital improvement projects. Councilor Spangler expressed concern that the reserves were being spent down to nothing. Councilor Weeks stated she could not support the study and since no one has a say in the Water Board raising rates, the City should have a public hearing before raising the wastewater rates.

Mayor Verger reported the City has maintained an aggressive repair and maintenance program; however, she does not support shifting the cost onto businesses. Mayor Verger commented the study could have been done in a different way, and expressed disappointment with the study and the process used. Mayor Verger stated she could not support a rate increase of any kind. Mr. Winer commented it was not his intention to sock it to business and would prefer to give businesses a break, within EPA and DEQ guidelines. He noted the study is a model and the numbers changed to fit the City's desires. Mayor Verger commented the community has an inability to pay increases and the City will be able to continue with improvements within the confines of the budget. Resolution 99-26 was not adopted.

### **Public Comments**

Julia Spangler, Empire Community Association, requested the City consider providing additional plants for the Newmark planters. The Association estimates the plants can be purchased at cost for approximately \$200 and the Association will do the planting.

Louie Evonuik, Coos Bay, reported the Mingus Park apartments were built in 1964 and for 31 years everything was fine, and in 1995 he began to have serious problems with sewer backup. The City's insurance paid the first time and since then have denied his claims. Mr. Evonuik expressed concern that several buildings have been added to the system.

### **City Attorney's Report**

City Attorney Randall Tosh reported municipal court documents have been drafted and the docket

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prepared for court to begin on Thursday.

### **City Manager's Report**

City Manager Bill Grile reported the Downtown Association will be holding a general membership meeting to discuss matters from the July 14, 1999 Council work session. Mr. Grile noted a meeting had been held to discuss murals for the City with artist Karl Shutz. Reedsport is also looking into doing murals. He reported staff has collected examples of handling lawn and yard maintenance problems and will be bringing something back to the Council. Mr. Grile reported staff is also looking into mandatory garbage service as requested, and no progress has been made on developing a systems development charge. ODOT staff and City staff have surveyed the streets included in the proposed exchange, and have come up with an assessment which will be part of the negotiations with ODOT. Mr. Grile reported the North Bend City Council has scheduled August 9<sup>th</sup> to discuss PEG TV.

### **Mayor and Council Comments**

**Councilor Weeks** reported the Parks Commission met last evening and a design for new skateboard park ramps will be submitted to the City, the Mingus Park stage fund is at \$2,733, a recommendation from the commission to turn the Eastside tennis court into a basketball court, and bids for lighting in Mingus Park came in at \$16,700 to \$17,000. Kathy Spencer requested the hours at John Topits Park be extended and the commission is recommending a 90-day trial at the middle lake only. Councilor Weeks inquired about the status of the sale of the park house. Mr. Grile reported staff is in the process of ordering an appraisal of the property. Councilor Weeks commented barricades have been up over a manhole on South 5<sup>th</sup> for over four months and requested a report from staff on the situation.

**Councilor Spangler** commented he is delighted the Chamber of Commerce is in a position to have murals done on the gas tanks.

**Councilor Stufflebean** reported he had been asked to attend the Salvation Day Camp to speak about government and it was a good experience. He inquired if an ordinance establishing design standards for the Front Street development project was being prepared. Mr. Grile reported logistically it would be very difficult to do.

**Councilor McKeown** reported the Livability Committee is continuing to meet and is close to completing their task. The committee expects to hold a community meeting in the near future.

**Mayor Verger** reported attending the Oregon Mayors Association conference in Burns. Former Governor Barbara Roberts was one of the speakers and had great comments about the state of Oregon. Mayor Verger commented the bill passed for putting money into the Commission for Children and Families and the City will need to meet with the commission to request funding.

### **Executive Session**

The City Council met in executive session pursuant to ORS 192.660 (1) (d) for the purpose of consulting with legal council regarding labor negotiations and (f) documents not open to the public. The Council reconvened into regular session.

### **Adjournment**

There being no further business to come before the Council, Mayor Verger adjourned the meeting

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to August 17, 1999 at 7 p.m. in the Council Chambers of City Hall.

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

ATTEST:

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