

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

**December 4, 2001**

The minutes of the proceedings of the 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 Present**

Those present were Mayor Joe Benetti and Councilors Anna Marie Larson, Jeff McKeown, Cindi Miller, Don Spangler, Kevin Stufflebean and Judy Weeks. City staff present were City Manager Bill Grile, Deputy Recorder Joyce Jansen, City Attorney Randall Tosh, Community Services Director Shanda Shribbs, Finance Director Janell Howard, Fire Chief Stan Gibson, and Police Chief Chuck Knight.

### **Flag Salute**

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

### **Consent Calendar**

Mayor Benetti reviewed the consent calendar which consisted of approval of the minutes of October 24 and November 6, 2001, adoption of Resolution 01-30 and authorization to sign the intergovernmental agreement with the League of Oregon Cities, and approval of a proclamation for Arbor Day. Councilor Weeks moved to approve the consent calendar as presented. Councilor Stufflebean seconded the motion which passed with the Mayor and all Councilors present voting aye.

### **Department Head Report by Finance Director Janell Howard and Presentation of the City Audit by Rob Wall, CPA**

Finance Director Janell Howard reported the audit has been completed for fiscal year 2000/2001 and introduced Rob Wall of Wall and Wall to present the report. Mr. Wall distributed copies of the audit reports for the City and Urban Renewal Agency, and reported the audits represent a clean report. The financial practices of the City are consistent with the State of Oregon audit standards and ORS budget law requirements. Mr. Wall briefly reviewed the information presented in the audits and encouraged the Council to contact him if they had any questions or comments.

### **Presentation by the Coquille Economic Development Corporation Regarding Provision of Fiber Optics Service**

Councilor Weeks declared a potential conflict of interest as she is employed by CEDCO. Karl Kennedy of CEDCO reported they are pursuing providing fiber optics service because of the benefits it would bring to the community. Brady Scott, CEO for CEDCO, explained having high speed, competitively priced telecommunications is important for future economic development. He commented fiber is the single most critical component to the economic well being of the community and this type of infrastructure will attract family wage employers. The quality of life of the area is attractive to people and competitively priced telecommunications will make the area appealing to business. Mr. Scott commented their service would provide three critical components; local loop, middle mile, and redundant highspeed connection.

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Mr. Scott gave Bend, Oregon as an example of a community with a comprehensive fiber network which they have had in place for five years, and is provided by a local cable operator. The system reaches approximately 50,000 but none of the long haul circuits stop in Bend, and they only have six fibers, provided by US West, as their only access to the worldwide web. Mr. Scott commented rural Americans, including the Coos Bay-North Bend area are in danger of being bypassed. The Oregon Public Utilities Commission cannot force anyone to build the infrastructure and local government cannot afford to do so. He further commented that even if the local volume justifies the expense, large telecommunication companies will not build the infrastructure because with deregulation the telephone companies are investing where they will receive the highest return, which is in the big cities. Mr. Brady reported Bonneville Power has constructed a fiber network to support CEDCO's power grid which currently carries high speed fiber. CEDCO has a plan to bring wide band fiber service to the Coos Bay-North Bend area.

Executive Director Greg Aldridge reported he had researched bringing fiber service to the area beginning in 1999 and believes Verizon would not provide the service CEDCO needs for their business operations. The Mill Casino and CEDCO require streaming video and wideband service, and the ability for the hotel to provide lines for their customers. Mr. Aldridge explained Noanet is a non-profit cooperative and has a 20 year lease with Bonneville Power. Noanet has lit all of Washington state and has also established a cooperative in Oregon which is located in Portland. Mr. Aldridge noted Noanet is different than other networks in that they are a long haul and back haul provider, and there would be no charges for mileage from here to Portland or to anywhere else. They can build the infrastructure for the middle mile and the cost for hanging the fiber has already been completed by Bonneville Power. Mr. Aldridge commented Noanet can provide fiber service at significantly less cost than other providers.

Karl Kennedy, reported he is the sole employee of ORCA and has been working on agreements, budgets, financial preparation, and partnerships. He plans to have a network engineer in March and will be working with North Bend, Coos Bay and Coquille. An RFP to select an engineer for installation has been completed with construction expected to begin in 2002. Mr. Kennedy commented the Coquille Tribe – Tribal One is a limited company and will do business as ORCA Communications. The network is a ring configuration and is reliable through redundancy in the ring configuration. He noted ORCA will have a relationship with other providers because they are not a last mile provider. Mr. Kennedy explained the difference in ORCA is that they are a middle mile provider, have backhaul and middle mile redundancy, direct connectivity to the world, member of a cooperative regional network, and as a local company, they are committed to Coos Bay and North Bend. The community must have a good telecommunications infrastructure to attract business. Additional benefits include telemedicine, distance learning, savings, and continuing economic development.

Councilor Spangler commented BPA has only offered 24 fibers and inquired how many fibers Noanet actually has to offer. Mr. Kennedy stated they have 24 and explained they are restricted by the bandwidth. Councilor Spangler inquired where they would connect with BPA and Mr. Kennedy reported one mile from Coos Bay, the same point at 29.2 as CPI and W. Councilor Spangler inquired if public funding would be used and Mr. Kennedy commented they had presented the project to the Oregon Economic Development Department and the project was accepted. CEDCO was invited to apply for a low interest loan from Oregon Economic Development. Mr. Aldridge explained they also have private funding for the project and will also be applying for special public works funding.

Mr. Grile commended Tribal One on their effort to provide fiber optics service to the area and encouraged the City Council to adopt a resolution supporting the project. He recommended the City Council also invite testimony from Charter, Verizon, CPI&W, and anyone interested in offering comments. Councilor McKeown

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inquired if it was critical to have the resolution and Mr. Kennedy commented North Bend has invited comments from other providers. He further commented that Charter and Verizon are tariffed companies and CEDCO is not a cable systems operator. Mr. Grile commented the Oregon Revised Statutes state the Tribe is the one that needs to have the resolution and it is not required for the cities, however, the resolution would show the city's support for the project. Councilor McKeown suggested adopting a resolution showing support for the project. Councilor Spangler recommended a resolution not be adopted until the City Council hears from the other providers, and he does support having fiber optics in the community.

Mayor Benetti commented CEDCO has requested the City Council adopt a resolution of support, and he inquired if CEDCO would be willing to pay the City's franchise fees. Mr. Kennedy stated they would be willing to sit down and discuss the matter. Councilor Stufflebean commented any business can apply for loans from the Oregon Economic Development Department, so CEDCO does not have an unfair advantage with their application for funding. Mayor Benetti expressed support for CEDCO's project.

Councilor Miller moved to pass resolution 01-31 [wording] which is attached hereto and thereby made a part of the record. Councilor Spangler seconded the motion and the resolution was read to the assembly. The resolution was adopted by a unanimous vote.

### **Enactment of an Ordinance to Amend Ordinance No. 310 to Change the Membership of the Historic Design Review Committee to Seven**

Mayor Benetti reported the amending ordinance would change membership of the Historic Design Review Committee from five to seven members. Councilor Stufflebean moved to approve the ordinance amending Ordinance No. 310. Councilor Weeks seconded the motion and Deputy Recorder Joyce Jansen read the ordinance by title only and polled the Council. The ordinance was approved with the following vote:

Voting Aye:	Mayor Benetti and Councilors Larson, McKeown, Miller, Spangler, Stufflebean and Weeks.
Voting No:	None
Absent:	None

### **Ratification of Appointments to the Historic Design Review Committee**

Mayor Benetti reported the Planning Commission's recommendation is to appoint Andrew Locati, Hilary Baker, Bill Blumberg and Robert Sasonoff to serve three-year terms, and Steve Miller, Gloria Osten and Wayne Osten to serve two-year terms. Councilor Weeks moved to ratify the appointments to the Historic Design Review Committee as recommended by the Planning Commission. Councilor Miller seconded the motion which passed with the Mayor and all Councilors present voting aye.

### **Public Comments**

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Dale Kinyon, Coos Bay, commented he is the property manager for the Lockhart building and stated there is no imminent danger in occupying the building. He noted that previously Tony George had made comments to the City Council about the condition of the building, and Mr. Kinyon and the property owners would like the Council to know their side of the situation. Mr. Kinyon reported repairs will be made to the building and Mr. George will be moving to another location.

Julia Spangler, Coos Bay, thanked the City for putting Christmas banner along Newmark Avenue and invited the Council and public to attend Empire's 8<sup>th</sup> annual tree lighting event on December 7<sup>th</sup> at the Empire fire hall. Ms. Spangler thanked John Farmer of BLM for providing the tree.

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

City Attorney Randall Tosh reported the city manager's office will be provided with the Firefighter's Association collective bargaining agreement for signature.

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

City Manager Bill Grile reported a written report had been distributed to the Council and to contact him if there were comments or questions.

### **Council Comments**

**Councilor Weeks** commented she was absent from the Council meeting two weeks ago and wished to go on record that she does not support the raise in salary given to the city manager due to the current economic condition.

**Councilor Spangler** reported the Airport Advisory Committee has been working on a plan for a new terminal, navigational aides, and runways and will be presented to the Port Commission in the near future. The committee will recommend the new terminal location be easily accessible and convenient to the public.

**Councilor Miller** thanked everyone who participated in the downtown tree lighting, including Nick and Joyce Jansen, Councilor Larson and Ralph Larson, and Jeff and Trish Miller, and the Campfire Kids. She stated Mayor Benetti did a wonderful job of representing the City Council at the event and the Councilors unable to attend were missed.

**Councilor Larson** commented the tree lighting event was a big success and thanked Joyce and Nick Jansen, Vicki Stake and her nieces, and Ralph Larson for volunteering their help. Councilor Larson suggested wreaths be placed along Broadway during the holidays.

**Councilor Stufflebean** stated he will be out of town Friday and not able to attend the Empire tree lighting. He plans to attend the Marshfield High School student body meeting to talk about the Youth Advisory Council program, and the next Solid Waste Advisory Committee meeting will be held on Wednesday at 6 p.m. at the public library.

**Councilor McKeown** congratulated the finance director and staff on the clean audit report. He commented the South Coast Development Council web site is looking good and asked Melinda Anderson to review the site. Ms. Anderson explained the purpose of the web site is to market the region to businesses to relocate to the bay area. The site provides information about the area, what is available, the quality of life, scenic beauty, and recreation opportunities. Councilor McKeown reported SCDC ambassador cards have been printed and suggested distributing them to the public to hand out when they meet people or travel outside the bay area. He expressed pride in the web site and commented the work of SCDC is beginning to

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bear fruit. Ms. Anderson commented the site is a work in progress.

**Mayor Benetti** thanked Councilor Miller for the hours of work to organize the tree lighting event. He reported the City's Emergency Management Agency met and reviewed the emergency plan recently and updated pertinent information. The workshop presented by ODDA on recruiting businesses will be held December 6<sup>th</sup> at the public library and he encouraged interested persons to attend. Mayor Benetti announced the downtown holiday window display contest winners were first place – Weddings, Etc., second place – Sincerely Yours Antique Mall, and third place – the Pottery Company.

**Adjournment**

There being no further business to come before the Council, Mayor Benetti adjourned the meeting to December 18, 2001 at 7 p.m. in the Council Chambers of City Hall.

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Joe Benetti, Mayor

ATTEST:

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Joyce Jansen, Deputy Recorder