

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

June 17, 2008

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 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Attending

Those present were Council President Jon Eck and Councilors Michele Burnette, Mark Daily, Stephanie Kramer, and Gene Melton.

Absent were Mayor Jeff McKeown and Councilor John Muenchrath.

City staff present was City Manager Chuck Freeman, City Attorney Nate McClintock, City Clerk Vicki English, Police Chief Rodger Craddock, Fire Chief Stan Gibson, Finance Director Janell Howard, Public Works and Development Director Jim Hossley, Assistant City Manager Joyce Jansen and Library Director Carol Ventgen.

Flag Salute

Acting Mayor Eck opened the meeting and led the assembly in the flag salute.

Consent Calendar

Acting Mayor Eck reviewed the consent calendar which consisted of approval of the Minutes of June 3, 2008, approval of annual OLCC license renewals, approval of the nomination of Bruce Locker to the Coos Library Board and adoption of Resolution 08-21 accepting insurance proceeds and appropriations.

Councilor Kramer moved to approve the consent calendar as presented. Councilor Burnette seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Kramer, and Melton voting aye.

Councilor Daily abstained from the vote due to a potential conflict of interest with the OLCC license renewals.

Introduction of New Employees

Police Chief Craddock introduced the new Police Department employees, Officer Karli Zunino and Chris Bartfay. Chief Craddock stated Ms. Zunino was hired on June 1, 2008 to fill the position of Police Officer; and Ms. Bartfay was hired on May 13, 2008 to fill the position of Clerical Assistant. Chief Craddock also reported the promotions of Officer Sean Merritt to Police Sergeant, and Sergeant Cal Mitts to Police Captain. Chief Craddock stated these promotions will take place on or about September 1, 2008.

OLCC License Renewal Request Denial for Mak’s Old City Hall Lounge

Police Chief Craddock requested that this item be tabled to give Mak’s an opportunity to meet with the OLCC inspector and their area supervisor to work on a compliance plan. Councilor Burnette moved to table this agenda item. Councilor Daily seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

OLCC License Renewal Request Denial for Gussie’s Bar and Grill

Police Chief Craddock reported that Captain McCullough, OLCC Inspector Gary Francis and himself met with the owners of Gussie’s, John Pundt and June Est-Pundt, at their request. Chief Craddock stated that the Pundt’s have provided information to demonstrate their efforts and attempts to create a safer, law abiding establishment, and to come into compliance with OLCC regulations. Some of the actions Chief Craddock reported are; changing the name to Stray Katz Bar, which will symbolize a change in ownership, change music venue to attract a different clientele, hiring new security personnel, have at least one owner working during peak hours, intent to trespass future customers who engage in disorderly or illegal activity, installing state of the art surveillance system, operational changes to eliminate the over-serving of alcoholic beverages to customers, and establishing procedures that employees are to follow when they observe a visibly intoxicated person in their establishment. Chief Craddock stated the above actions were taken prior to their knowledge that their OLCC License was under scrutiny by the City. Councilor Daily moved to approve the renewal of Gussie’s OLCC license. Councilor Kramer seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Public Hearing to Consider the Supplemental Budget for Fiscal Year 2007-08 to Purchase a Road Grader – Approval Will Require Adoption of Resolution 08-20

Janell Howard, Finance Director, reported that on February 5, 2008 the City Council approved the purchase of a new grader for a net cost of \$146,386, including a \$35,000 trade-in. Ms. Howard stated that since that time the City of North Bend has requested to purchase Coos Bay’s old grader for the same \$35,000, which will make the cost of the grader \$181,386 with additional revenue of \$35,000. Ms. Howard said the net cash flow is the same, but the budget must be adjusted accordingly, and by adopting the supplemental budget, the City is in compliance with municipal budget law. Acting Mayor Eck opened the public hearing. No public comments were given and the hearing was closed. Councilor Burnette moved to approve Resolution 08-20 adopting the supplemental budget and making the appropriations. Councilor Daily seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Proposed Rate Increase in Sewer Collection Fees – Approval of the Rate Increase will Require Adoption of Resolution 08-19

Jim Hossley, Public Works and Development Director, reported the City of Coos Bay Budget Committee recommended a 5% increase in sewer use rates. Mr. Hossley stated the sewer fee portion on the Coos Bay – North Bend Board billing will increase, depending upon individual household usage, an average of \$1.00 - \$1.82 per month, and the additional revenue will continue to provide funding for sewer line replacement and pump station projects. Mr. Hossley

said approving the resolution at this time will provide the Coos Bay – North Bend Water Board time to change their computer programming, provide a full twelve months of billings at the adjusted rate for fiscal year 2008-09, and clarify language. Councilor Kramer moved to adopt Resolution 08-19 Sewer User Rates. Councilor Burnette seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Consideration to Accept the Primary Election Results – Accepting the Results Will Require Adoption of Resolution 08-22

Janell Howard, Finance Director, stated it is required by the City of Coos Bay's Charter to accept the election results approving the \$6.9 million bond measure for a new fire station and fire apparatus and to make the election returns a matter of record. Councilor Burnette moved to approve Resolution 08-22 to accept the election results from the Primary Election for the propose of authorizing the City of Coos Bay Fire Department general obligation bond. Councilor Daily seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Consideration of a Request for Historic Property Tax Exemption – Approval of Tax Exemption Will Require Adoption of Resolution 08-18

Councilor Kramer recused herself from this issue due to a potential financial benefit by voting on this resolution. Janell Howard, Finance Director, stated that there were three requests from property owners that are subject to special assessment of historic properties through the State of Oregon. Ms. Howard said in addition to the three requests we received a letter from Susan Haylock, Director of State Historic Preservation Office (SHPO). Ms. Howard reported in 2007 the Legislature enacted Bill 416 amending the current Special Assessment of Historic Properties Program to allow commercial and residential property owners to apply for a second fifteen year period of tax exemption. Ms. Howard said this does not exempt all their property taxes; it limits annual increases to 3% and does not add the value of improvements made to their property. Ms. Howard stated the difference in the second fifteen year period is that the City needs to give approval through a resolution or ordinance in order for owners to be able to apply for a second term. Councilor Burnette moved to approve Resolution 08-18 allowing owners of specially assessed historic properties to apply for a second period of special assessment. Councilor Daily seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, and Melton voting aye.

Approval of the Replacement of Sewer Pipe at Pump Station No. 19

Jim Hossley, Public Works and Development Director, reported the gravity line that feeds into Pump Station No. 19 is very flat, requiring OMI to constantly flush and clean the line to prevent back-ups and spillage. Mr. Hossley said this project was given a high priority in the Wastewater Collections System Master Plan and has been on the waiting list since 2001. Mr. Hossley stated the low bidder was Johnson Rock in the amount of \$121,733.59 plus an additional 10% contingency of \$12,173 for a total of \$133,906.59. Councilor Burnette moved to award the construction contract for the Pump Station No. 19 Sanitary Replacement Project be awarded to Johnson Rock Products, Inc. in the amount of \$121,733.58 plus an additional 10% contingency for a total of \$133,906.58. Councilor Kramer seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Approval of Award of Bid for the Newmark Overlay Project

Jim Hossley, Public Works and Development Director, reported last year the City did an overlay project at the first block of Newmark from Ocean Boulevard to Schoneman Street. Mr. Hossley stated this year they will be overlaying the next three blocks from Schoneman Street to Cammann and to complete the remaining blocks to Empire Boulevard the following year. He said the plan was to do several blocks each year as funds are available. Mr. Hossley said the low bid was LTM in the amount of \$151,208.50 with a recommendation to set aside an additional 20% for contingency. Acting Mayor Eck asked if we could submit a change order to pick up a couple of extra blocks with the approximate \$80,000 difference between the bid and the engineers estimated cost. City Attorney Nate McClintock suggested making a motion to approve the contract and award it to LTM and direct staff to consult with LTM to determine how much additional paving can be done with the remaining budgeted funds and make a presentation to Council. Councilor Burnette moved to award the contract to LTM in the amount of \$151,208.50 plus a 20% contingency and also to authorize staff to enter into negotiations for additional paving as funding allows. Councilor Melton seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Approval of the Skate Board Park Design and Construction

Jim Hossley, Public Works and Development Director, gave an overview of the development made on the skate park. He reported that on March 6, 2006 the Parks Commission recommended approval of the Citizens of the Bay Area Youth (C-BAY) proposal to expand the existing skateboard park in Mingus Park and permit removal of the existing tennis courts to accommodate the expansion, and on December 4, 2007 the council granted approval to remove the tennis courts when the skate park is expanded. Mr. Hossley reported C-BAY has acquired the volunteer services of Russell Cox, P.E. with Stuntzner Engineering. Mr. Hossley said Mr. Cox has revised the original plans prepared by C-BAY into a 2-phase project. Mr. Hossley presented the two phases of the Skate Park. Phase one will be approximately 3,000 square feet and will feature two large bowls along with other smaller features with an estimated construction cost of \$67,000, and phase two will consist of a flat skate area with a couple of features. Mr. Hossley said the project will be constructed using temporary paid city employees. These employees will be persons skilled and experienced in skateboard park construction and will oversee the volunteer labor force and, along with our engineering staff and building department, will ensure that construction practices are followed and we use City purchasing protocol. Councilor Melton asked what the City's liability would be. City Attorney Nate McClintock stated as long as the skate board park is built to specifications he does not see a liability problem. City Manager, Mr. Freeman, also stated that as long as we stay with the plan that the insurance company reviewed and approved prior to construction we would have liability coverage. Councilor Daily moved to approve the two-phase proposal prepared by Russell Cox, P.E. and direct staff to proceed with the construction of phase one of the skateboard park and phase two as funding becomes available. Councilor Burnette seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Resolution Declaring a 180 Day Moratorium on Storm Water and Wastewater System Development Charges (SDC's)

City Manager, Chuck Freeman, requested a 180 day moratorium on Storm Water and Wastewater System Development Charges (SDC's) to give staff time to discuss with the Utility Rate Consultant the financial impact of the charges. Mr. Freeman would like to address the concerns with the charges, specifically, the low growth rate, the impact to the rate payer, and whether SDC's are hindering economic growth. Mr. Freeman said there is a work session scheduled with the Utility Rate Consultant on July 15, 2008 to discuss possible options on how to approach a Capital Facilities Plan. Joe Benetti, former Mayor, spoke to Council and stated at the time that the SDC charges were put into place the Council had no idea the financial impact it would have and he feels that the charges need to be reanalyzed and other options need to be looked at. He also stated that he does not believe the SDC charges should be entirely removed. Councilor Burnette moved to adopt Resolution 08-23 declaring a 180 day moratorium on Storm Water and Wastewater System Development Charges (SDC's) Councilor Kramer second the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Public Comments

Carolyn Prola, resident of Myrtle Point, stated that Myrtle Point's skate park was constructed in 2001 and has been a positive experience for the community. Ms. Prola said she was pleased that Coos Bay will have a park and thanked everyone for their support.

Rick Skinner, General Manager of River Knife, presented C-BAY with a \$10,000 check donation toward the skate park.

Russell Cox, employee of Stuntzner Engineering thanked the Council for their efforts and for supporting the skate park. Mr. Cox said recreation is important to the youth of the community, and encourages other business to donate money to expand the park into phase two.

Geoffrey R. Teese, new resident of Coos Bay, thanked the Council and law enforcement for supporting and approving the OLCC renewal for Gussie's.

City Attorney's Report

City Attorney Nate McClintock had nothing to report at this time.

City Manager's Report

Chuck Freeman, City Manager, said there will be a Department of State Land meeting with Louise Soliday and Jeff Griffin from the Governor's Emergency Response Team on June 19, 2008 at 4 pm at City Hall. He said the Traffic Circulation Sub Committee met with the Engineer of Record, and has some recommendations for city staff to follow up on regarding downtown traffic flow.

Council Comments

Councilor Burnette said she wanted to remind everyone that the Mayor proclaimed next week as South Coast Hunger Awareness Week and there is a schedule of participating restaurants that will be donating to the food bank and encouraged everyone to patronize them. Councilor Daily suggested the Council address the signage issues with the Facade Improvement Program. Councilor Daily also stated he was excited about the skate park and that it is a great start to improving quality of life for the community. Acting Mayor Eck thanked C-BAY for their efforts and is looking forward to the changes to Mingus Park.

Executive Session

An executive session was held pursuant to ORS 192.660 (2) (d) for the purpose of discussing labor negotiations and ORS 192.660 (2) (i) for the purpose of evaluating the job performance of the City Manager.

Regular Session

A salary increase for City Manager, Chuck Freeman, was discussed among the Council. Acting Mayor Eck recommended increasing Mr. Freeman's salary to Step 3, \$8,898 per month as of June 18, 2008 with the cost of living adjustment afforded all non-represented employees as of July 1, 2008. Council Member Melton moved to increase City Manager, Chuck Freeman's salary to Step 3 as of June 18, 2008 with a cost of living adjustment July 1, 2008. Councilor Burnette seconded the motion which carried with Acting Mayor Eck and Councilors Burnette, Daily, Kramer and Melton voting aye.

Adjourn

There being no further business to come before the Council, Acting Mayor Eck adjourned the meeting at 8:50 p.m. until July 1, 2008 in the Council Chambers at City Hall.

Jon Eck, Acting Mayor

Attest:

Janell K. Howard, City Recorder