

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

December 16, 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 Mayor Jeff McKeown and Councilors Joanie Johnson, Jon Eck, Stephanie Kramer, Gene Melton, and John Pundt. Councilor Mark Daily was absent. City staff present were City Manager Chuck Freeman, City Attorney Nate McClintock, Deputy Finance Director Susanne Baker, Public Works and Development Director Jim Hossley, City Engineer Carl Nolte, Finance Director Rae Lea Cousens, Fire Chief Stan Gibson, Library Director Carol Ventgen, and Police Chief Rodger Craddock.

Mayor McKeown added Agenda Item 5a Fire Station Property Sales Agreement and Agenda Item 5B Resolution 08-32 Authorizing an Interdepartmental Fund Transfer.

Interviews of Committee Applicants

The interviews of the Committee Applicants were cancelled.

Flag Salute

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

Consent Calendar

Mayor McKeown reviewed the consent calendar which consisted of approval of the minutes of December 2, 2008. Councilor Eck moved to approve the consent calendar as presented. Councilor Kramer seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Introduction of New Employees

Police Captain Cal Mitts introduced the new staff in the Police Department: Police Officers Thomas Lindahl and Arnold LaCompte.

Presentation of Police Department Awards

Captain Gary McCullough stated the CBPOA was recently honored by the Coos County Commission on Children and Families with the Judge Barron Award for volunteer work to re-side the Alternative Youth Activities building. This provided an opportunity for the police officers to work with at-risk youth in a nonconfrontational environment to impact the youth in a positive manner and improve their self image. Alice Carlson and Jessica Patterson, AYA representatives, presented an award to the CBPOA through the City Council recognizing the officer's volunteer work along with Police Officer Chris Chapanar for providing his contractor license for the project. The OPOA and CBPOA recently honored Police Officers Gulbransen, Wetmore, Zavada, Sgt. Merritt, and Capt. Mitts with life saving awards for their actions earlier

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this year which saved a man's life as a result of a suicide attempt. Police Chief Rodger Craddock provided a letter of accommodation to Patrick Kinney, a Coos Bay citizen and North Bend Police Officer, for off-duty life saving first aid to Derrirck Medina on September 23, 2008. Mr. Medina expressed his appreciation for Mr. Kinney's assistance which proved pivotal in the positive outcome of his recovery. Mayor McKeown expressed appreciation for Mr. Kinney's assistance on behalf of the City of Coos Bay.

Bay Area Chamber of Commerce Report by President Ken Croes

Ken Croes, Bay Area Chamber of Commerce President, presented a quarterly report which included: Keeping apprised of issues of concern to our area and expressing opinions statewide; working with the college to stimulate business and economic development through education; commenced a program for a business to receive a grant for products and services for writing the best business plan; continuing the Leadership Coos program, 30 participants; progress with the City of Coos Bay on the Visitors Center expansion; networking through luncheon forums; community awards for excellent customer service; growing the membership through the Handshake Marketing program to meet and greet existing and potential members; continuing the economic outlook forum presentations; and launched a new website. Mr. Croes thanked the Council for their support. Mayor McKeown asked how many businesses are in the current membership and Mr. Croes stated 600 members with a goal to net an increase of 630.

Fire Station Property Sales Agreement

Fire Chief Stan Gibson reported the design of the new fire station includes the parking lot directly to the west of the First Presbyterian Church. The property is currently used as a parking lot for Nelson's Bay Area Mortuary at 405 Elrod. Staff has been in contact with the owners for some time and they are in agreement to a sale. The sales agreement is for the purchase price of \$110,000 with the City paying the closing costs. The sales price is based on an appraisal completed by Marineau and Associates dated December 2007 and will be satisfied by the sale of the bonds. Councilor Pundt moved to approve the sales agreement for the purchase of the parking lot just west of 438 Elrod Avenue for the amount of \$110,000 with closing costs up to \$4,000. Councilor Melton seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Resolution 08-32 Authorizing an Interdepartmental Fund Transfer

City Manager Chuck Freeman presented Resolution 08-32 authorizing an interfund loan from the Wastewater Fund to the Fire Station Reserve Fund for \$600,000 as interim funding until the bond sale or other applicable financing is determined. Mr. Freeman stated there is flexibility in the wastewater fund and the loan must be repaid no later than April 30, 2009. The transfer will facilitate a 5% discount in the purchase of the fire apparatus if paid by December 24, 2008 with a total price at approximately \$358,000. Councilor Eck moved to adopt Resolution 08-32. Councilor Kramer seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

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Appointments to Commissions and Boards

Mayor McKeown stated with Council concurrence he would like to extend the opportunity to the public to submit a letter of interest for the Budget Committee. A consensus of the Council was to advertise again for the Budget Committee openings. Councilor Melton moved to appoint Beverly Meyers, Nathan Clausen, and Patty Scott to the Parks Commission. Councilor Eck seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Ratification of the Bay Area Chamber of Commerce appointment of Deanna Scott to the Visitor and Conventions Bureau

Councilor Kramer moved to ratify the Bay Area Chamber of Commerce's appointment of Deanna Scott to the Visitor and Conventions Bureau. Councilor Johnson seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Approval of the Financial Advisor

Finance Director Rae Lea Cousens stated the City solicited for Request for Proposals for a Financial Advisor and received four requests. The RFP closed on December 5th with two firms submitting proposals, Seattle Northwest and Western Financial Group. Financial advice will be sought on a project by project basis and capitalized as a part of each project. Seattle Northwest is a large investment firm and Western Financial Group is a smaller financial management firm, both are considered the two top financial groups in Oregon, first and second respectively. Due to the financial savings, staff is recommending the award to Western Financial Group. Mayor McKeown stated that during the Finance Standing Committee meeting a conference call was made to a principal of Western Financial Group who was able to satisfy all of his concerns regarding investment banking fees. Councilor Melton moved to award the contract for a Financial Advisor to Western Financial Group for a three year term pursuant to the RFP. Councilor Eck seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Approval of the Purchase of Police Vehicles

Police Chief Rodger Craddock stated the Police Department is reducing the fleet by surplusizing two vehicles because they are not being used (travel/court vehicle and parking enforcement scooter). Each year a portion of the fleet is replaced in order to spread the cost of the replacement over time. Police Chief Craddock provided two options for consideration, Option A includes two 2009 Ford Crown Victoria police package vehicles with applicable accessories and two 2009 Ford Fusions with applicable accessories for a total cost of \$101,796; Option B includes two 2009 Ford Crown Victoria police package vehicles with applicable accessories and three 2009 Ford Fusions with applicable accessories for a total cost of \$122,796. The budget includes \$87,000 for vehicle replacement and \$95,000 for mobile data terminals; an additional \$10,000 was added through a transfer from the Gas Tax and Building Code Funds as a result of transferring a vehicle purchased last year with General Fund dollars to be used by the Code

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Enforcement Officer; a Federal grant of at least \$40,000 will cover the mobile data terminal purchases; surplus the four vehicles could result in \$1,500 each; and surplus 15 other City owned vehicles will also provide revenue. Councilor Kramer stated she was concerned that even more vehicles would have to be replaced next year if an insufficient amount were not purchased this year. Mayor McKeown stated that due to the decline in timber prices it is unlikely we will schedule a timber harvest next year to fund capital replacement. Councilor Johnson asked if the City is paying insurance on the vehicles not in service and ready to surplus. Chief Craddock stated yes, that is an area of savings and another factor in surplus the fleet as specified. Councilor Kramer moved to approve Option B as presented for \$122,796. Councilor Eck seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Consider Setting a Public Hearing on Vacating a Portion of Olsen Avenue West of South Empire Boulevard

Public Works & Development Director Jim Hossley stated a request has been received to vacate approximately 200 feet of the west portion of the Olsen Avenue right of way of South Empire Blvd. In order to proceed, the City Council must set a date for the Planning Commission to hold a public hearing. Councilor Kramer moved to set a public hearing date for the proposed vacation before the Planning Commission during the regular meeting on January 13, 2009. Councilor Melton seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Acceptance of the Memorandum of Agreement (MAO) between the City and Department of Environmental Quality (DEQ) for Wastewater Treatment Plant #1

Public Works & Development Director Jim Hossley stated DEQ has made a determination that Coos Bay violated limits of the NPDES permit for Plant No. 1 and subsequently assessed a \$9,000 penalty. In lieu of the \$9,000 penalty, DEQ proposes to enter into a Mutual Agreement and Order (MAO) to raise the limits that were violated as an interim measure to address inflow and infiltration problems; create a timeline for upgrade of the wastewater treatment plant commencing 2014; reduce the penalty to \$4,500; and provide a lesser penalty in the interim if the new limits are exceeded. DEQ assures the increase in the limits do not pose a health hazard. Mr. Hossley stated the areas of concern by DEQ are already in the process to be addressed and will be implemented over next two years. Councilor Melton moved to direct the City Manager to sign the MAO on behalf of the City Council and pay the \$4,500 fine. Councilor Eck seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Approval of “Brookside Estates” Subdivision Final Plat With Contract for Completion of Improvements

Public Works & Development Director Jim Hossley reported a Contract for Completion of Improvements has been included with the Brookside Estates subdivision final plat. This enables S&K Property Development to move forward with obtaining construction loans before the infrastructure is complete and formally accepted by the City. Once the infrastructure is

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complete, a resolution will be brought before the Council to accept the improvements. A performance bond has been received by the City and will remain in place until the improvements are accepted. Councilor Eck declared an ex parte contact with Mr. Sweet regarding this development and stated this contact will not affect his ability to vote on this agenda item. Councilor Eck moved to grant final approval for the Brookside Estates subdivision including the Contract for Completion of Improvements. Councilor Kramer seconded the motion which carried with Mayor McKeown and Councilors Johnson, Eck, Kramer, Melton, and Pundt voting aye. Councilor Daily was absent.

Public Comments

Dick Leshley, 93581 Bay Park Lane, Coos Bay: Owns and operates Yellow cab taxi and discussed the origin of the taxi ordinance and his displeasure with the business license rate increase. Mr. Lesley stated that he does not believe the ordinance is enforced as intended. Amy Elliott, 135 Anderson Avenue, Siren Song, Coos Bay: Voiced her concerns regarding the increase in business license fees and requested a lesser fee for small businesses.

City Attorney's Report

No report was given.

City Manager's Report

Mr. Freeman stated the employee awards program went very well and he appreciated the kind words to staff; congratulated Chris Chapanar and Stan Gibson as employee and department head of the year, respectively; follow-up dates for the next retreat are forthcoming and will be in January or February; Hilary Baker will present the Visitor Center architectural rendition on January 6th; the Fire Station Design Committee is proceeding well; ORCA is representing Head Start and facilitating their departure from the church building; the Lockhart building is progressing; and the McCauly building and Empire House were posted substandard and staff is working with owners. Mr. Freeman stated he will provide the Council with a copy of the agenda item that increased the business license fees this year.

Council Comments

Councilor Johnson disclosed she had brief discussion with Amy Elliott. Mr. Freeman stated this could be a Finance Standing Committee agenda item. Ms. Johnson was appreciated the retreat; stated the Concerned Citizens of Empire are pleased with the accepted Hollering Place master plan; and are reactivating the Clambria festival. Councilor Melton agreed the retreat was valuable and all agreed in the direction to be taken; attended the last Public Works Standing Committee meeting where the following was discussed: rezone of the ORCA site; siting the dog park on the Old Wireless Lane property; and the construction of the Coos River Highway gravity sewer improvement project. Staff was thanked regarding a parking issue. Councilor Kramer thanked Mr. Freeman for the retreat and wished all Happy Holidays. Councilor Pundt stated the retreat was helpful as a new councilor; the Clambria festival is forecasted for the last weekend in June. Councilor Eck wished everyone a Merry Christmas and reported the Fire Department will be hosting at Shore Acres on December 26th.

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Mayor McKeown stated the retreat was great a process of learning about each other, John Morgan was a good facilitator, and the Department Heads had great ideas; expressed appreciation to the volunteers at the Visitors Center dinner; thanked Mr. Freeman for the employees award dinner and acknowledgement of the employees; reported the Belloni's Ranch provides an important program for our community that turns young lives around to become productive citizens; and wished everyone happy holidays.

Adjourn

There being no further business to come before the Council, Mayor McKeown adjourned the meeting. The next regular Council meeting is scheduled for January 6, 2009 in the Council Chambers at City Hall.

Jeff McKeown, Mayor

Attest:

Rae Lea Cousens, City Recorder