

## MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

June 21, 2011

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 Crystal Shoji and Councilors Joanie Johnson, Stephanie Kramer, Gene Melton, John Muenchrath, and Mike Vaughan. Councilor Jennifer Groth was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Acting Finance Director Susanne Baker, Acting Deputy Finance Director Amy Kinnaman, Public Works and Development Director Jim Hossley, Operations Administrator Randy Dixon, Economic Revitalization Administrator Joyce Jansen, Library Director Carol Ventgen, Fire Battalion Chief Howard Owens, and Police Chief Gary McCullough.

### City Council Interviews

The City Council interviewed Dennis Dater, Mark McKelvey, and Gina Sutherland for the two openings on the Library Board.

### Flag Salute

Mayor Crystal Shoji opened the meeting and asked Richard Kuznitsky to lead the Council and assembly in the salute to the flag.

### Public Comments

Christine Coles, Coos Bay: Stated she was Chair of the Coos Bay Parks Commission and a recent graduate of the Ford Family Foundation Leadership class. As part of a group project for the class several upgrades were made at John Topits Park. Ms. Coles extended an invitation to the Council and anyone who would like to attend the next Parks Commission meeting which would be held at the main parking area of John Topits Park at 4 p.m. on July 14<sup>th</sup>.

### Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the minutes of June 7, 2011; 3b: acceptance of the May 2011 accounts payable and payroll check registers; 3c: acceptance of the May 2011 combined cash report; 3d: adoption of Resolution 11-17 Making Appropriations and Transferring Funds from the General Fund Contingency to General Government Operations and Library Fund Contingency to Library Operations; 3e: approval on setting a public hearing date for the proposed alley vacation off of Johnson Avenue before the Planning Commission on July 12, 2011; 3f: approval of an OLCC license application for an additional privilege of off-premises sales for the Empire Café, Inc; and 3g: approval of OLCC annual license renewals for All American Pizza Coops, Bayshore Chevron, Best Western Holiday Motel, Empire Café LLC, EZ THAI Restaurant, O'Bradi LLC, Oregon Coast Culinary Institute (SOCC), Oregon Wine Cellars, Outdoor Inn Inc, Smith's Bayway Market, and The Pyramid. Councilor Muenchrath moved to approve the consent calendar approving the minutes of the June 7, 2011, accepting the May 2011 accounts payable and payroll check registers,

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accepting the May 2011 combined cash report, adopting Resolution 11-17 Making Appropriations and Transferring Funds from the General Fund Contingency to General Government Operations and Library Fund Contingency to Library Operations, approving to set a public hearing date for the proposed alley vacation off of Johnson Avenue before the Planning Commission on July 12, 2011, approving an OLCC license application for an additional privilege of off-premises sales for the Empire Café, Inc, and approving OLCC annual license renewals for All American Pizza Coops, Bayshore Chevron, Best Western Holiday Motel, Empire Café LLC, EZ THAI Restaurant, O'Bradi LLC, Oregon Coast Culinary Institute (SOCC), Oregon Wine Cellars, Outdoor Inn Inc, Smith's Bayway Market, and The Pyramid. Councilor Melton seconded the motion which carried with Mayor Shoji and Councilors Johnson, Kramer, Melton, Muenchrath, and Vaughan voting aye. Councilor Groth was absent.

### **Appointments to the Library Board**

The City Council interviewed applicants for appointment to the Library Board prior to the Council meeting. There were two openings on the Board to fill Tracy Herning and Rondi Potter's terms ending June 30, 2011. Applications were received from Dennis Dater, Mark McKelvey, and Gina Sutherland. The Council appointed Gina Sutherland to the Library Board by Council ballot to a four-year term ending June 30, 2015. After three different ballots were cast, the final decision for the remaining open position to the Library Board ended in a tie between applicants Dennis Dater and Mark McKelvey. The decision to appoint either Dennis Dater or Mark McKelvey was postponed until the July 5, 2011 Council Meeting.

### **Appointments to the Building & Fire Code Board of Appeals and Tree Board**

City Manager Rodger Craddock stated the City advertised for two openings on the Building and Fire Code Board of Appeal and received two applications in response to the request. Applications were received from Hilary Baker and Weldon Laiche requesting consideration for re-appointment. The City also advertised for three openings on the Tree Board and received three applications; two of the applications were from Rex Miller and Larry Plews requesting consideration for re-appointment, and the third application was from Jake Robinson requesting consideration for appointment. Councilor Vaughan inquired as to Jake Robinson's background. Jake Robinson, Coos Bay: Stated he had a degree in Environmental Science with an emphasis in Biology from Southern Oregon University and had practiced forestry for approximately eight years. Councilor Johnson moved to appoint Hilary Baker and Weldon Laiche to the Building and Fire Code Board of Appeal for a three-year term ending June 30, 2014. Councilor Melton seconded the motion which carried with Mayor Shoji and Councilors Johnson, Kramer, Melton, Muenchrath, and Vaughan voting aye. Councilor Groth was absent. Councilor Kramer moved to appoint Rex Miller, Jake Robinson, and Larry Plews to the Tree Board for a four-year term ending June 30, 2015. Councilor Muenchrath seconded the motion which carried with Mayor Shoji and Councilors Johnson, Kramer, Melton, Muenchrath, and Vaughan voting aye. Councilor Groth was absent.

### **Public Hearing to Consider Approval on a Supplemental Budget Appropriating Funds in the Street Improvement Fund – Approval Would Require Adoption of Resolution 11-18**

Acting Finance Director Susanne Baker stated the City was awarded a grant in August of 2009 through the Oregon Department of Transportation (ODOT) Pedestrian and Bicycle Program for

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\$193,110 to fund the design and construction of sidewalks along Ocean Boulevard. The City's match was \$64,370 for a total project cost of \$257,480. The sidewalk project was completed in fiscal year (FY) 2011 but the remaining grant revenue of \$96,555 was not budgeted in the FY 2011 Street Improvement Fund budget. Ms. Baker further stated the City's allocation of ODOT's Surface Transportation Funds also exceeded budget appropriation by approximately \$16,000. In accordance with Oregon budget law Mayor Shoji opened the public hearing. No public comments were given and the hearing was closed. Councilor Muenchrath moved to adopt Resolution 11-18 approving a supplemental budget appropriating funds in the Street Improvement Fund. Councilor Johnson seconded the motion which carried with Mayor Shoji and Councilors Johnson, Kramer, Melton, Muenchrath, and Vaughan voting aye. Councilor Groth was absent.

### **Bay Area Chamber of Commerce (BACC) Semi Annual Report by President Eric Farm**

Bay Area Chamber of Commerce (BACC) President Eric Farm provided information to the Council on the history of the BACC, its membership, activities provided on behalf of the business communities, and volunteer recruitment. The BACC's 2011 strategic objectives were to create a strong local economy, promote the community, provide networking opportunities, and to represent business issues. Mr. Farm also noted BACC focused on providing community leadership in the areas of economic development, government affairs, leadership development, natural resources, tourism and transportation.

### **Quarterly Report on the Coos Bay/North Bend Visitor & Convention Bureau by Director Katherine Hoppe**

Katherine Hoppe, Director of Promotions and Conventions of the Coos Bay-North Bend Visitor & Conventions Bureau (VCB), provided information on the mystery tourist results; recently issued 2010 tourism statistics for Coos County, South Coast, and the entire Oregon Coast prepared by Dean Runyan Associates; redesign of the Oregon Adventure Coast website; and update of the content management system on the webpage.

### **Wastewater Plant II Facility Plan Amendment Project Team Report**

Garrett Pallo, Principal Engineer with Civil West Engineering and the city's engineer of record introduced the Council to the consulting team working on the facility plan amendment for wastewater treatment plant no. 2. Mr. Pallo introduced Matt Waddington, and Bill Boger of Civil West; Dennis Fuller of Century West; and Mark Esvelt of Esvelt Environmental Engineering. Mr. Pallo provided a brief presentation on the status of the wastewater treatment plant no. 2 upgrade which included Department of Environmental Quality's (DEQ) requirement of a four step process. The four step process consisted of facilities planning, pre-design, final design, and construction. Mr. Pallo reported facility planning was estimated for completion in September 2011 with pre-design estimated for mid year 2012, final design scheduled for 2012, and construction projected to begin in late 2013/2014. Mayor Shoji inquired as to the timeframe for setting up a committee to help inform the public on the necessary upgrades to the City's wastewater systems. City Manager Rodger Craddock stated he anticipated setting up the committee later this year.

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### **Discussion on the Mingus Park Stage Project**

Public Works and Development Director Jim Hossley reported representative from Music on the Bay were working on a project to construct a permanent stage at Mingus Park. Cost estimates provided by Music on the Bay were \$185,000 and because the project was located on city owned property it would be subject to prevailing wage. Mr. Hossley noted the Mingus Park Stage was one of numerous worthy projects vying for city funding. However these same funds were used to maintain existing facilities which were also in need of repair and included: trail/path improvements, restroom upgrades, skateboard park crack sealing, pool house repairs, and tennis court rehabilitation. City Manager Rodger Craddock suggested the city consider utilizing a grant writer to assist in raising additional funds. Councilor Muenchrath expressed concern over maintaining existing infrastructure before consideration of adding additional facilities which would also need to be maintained. Adam Gould, President of Music on the Bay thanked the Council for their consideration and their continued interest in the stage project. Mr. Gould suggested grant funds raised by Music on the Bay could be transferred to the City. Mayor Shoji inquired if Mr. Gould had spoken with service clubs to help coordinate funding whereby Mr. Gould stated he had not but thought it was a good idea. Councilor Vaughan suggested using recycling building materials from the demolition of the old downtown fire station. It was the consensus of the Council to draft a memorandum of understanding between the City and Music on the Bay to move forward with partnering for the project.

### **Fund Options for City Hall Seismic Project.**

Public Works and Development Director Jim Hossley reported the Seismic Rehabilitation Grant (SRG) required a \$325,000 grant match. The scope of work also included an additional \$675,000 worth of improvements to the non-structural building components required to implement the rehabilitation program and maintain the functionality of the building during and after a seismic event. Mr. Hossley stated the use of URA funds for the proposed seismic upgrade of City Hall was acceptable under state law and per the city's urban renewal plan for the downtown. Should the Council decide to partially fund the \$1,000,000 from URA funds, the city's Urban Renewal consultant, Jeff Tashman, and the bond counsel advised URA funds could be used as a loan source for the remaining funds required for the project. The loan could then be paid back with general fund dollars over a 10-year period. Mayor Shoji stated it was her preference that urban renewal funds not be used to fully fund the seismic project. Councilor Kramer suggested allowing \$750,000 to be borrowed on behalf of the seismic project. Councilor Muenchrath stressed the importance of understanding on how a loan might impact the general fund; and suggested a more detailed amortization schedule would be required prior to making a decision. It was the consensus of the Council to postpone consideration for funding of the city hall seismic project to allow time for staff to prepare an intergovernmental agreement based three different borrowing figures of \$500,000, \$600,000, and \$750,000 for future consideration.

### **Update on the Condition of the Building at the Southwest Corner of Anderson Avenue and Broadway**

Public Works and Development Director Jim Hossley stated city staff had been concerned with the condition of the building at the southwest corner of Anderson and Broadway for several years and noted a previous city building official had declared the building as substandard over

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eight years ago. In the past the City did request the owner to make repairs to the building and the owner did make some of the requested repairs. However, the owner failed to address all of the issues identified by the City and the owner's engineer or to meet many of the deadlines set by the City to perform the improvement. Due to the amount of time passed since any further repairs were made and the continual decline of the buildings condition staff sent a Notice & Order letter to the owner. Failure to meet the deadlines imposed in the letter would result in a citation(s) being issued of \$750 per each violation of Coos Bay Municipal Code Section 15.05.100. Each day a violation persists after notice of the violation having been provided to the owner constituted a separate and distinct violation. Mr. Hossley reported he received a response from the building owner and the owner was suggesting the timeline provide in the Notice and Order letter was too short to meet. Councilor Vaughan inquired if an engineer's report was required to determine the seismic tolerance of the building. Mr. Hossley stated the City was not required to inspect building for seismic standards when making a determination whether or not a building is deemed substandard.

Jan Tucker, owner of the Pottery Company: Inquired why the City was not holding the building owner accountable; and expressed concern over the City allowing new businesses to move in to a substandard building. Mr. Hossley stated the City would be following through with the requirements set forth in the most recent Notice and Order. City Manager Rodger Craddock also noted the building was never deemed dangerous. Angelin Appel, owner of Time Bomb Clothing Exchange: Expressed her appreciation for the City looking into the buildings condition but suggested business owners were being limited due to the buildings condition. Councilor Muenchrath suggested it was the responsibility of the City to enforce the rules the City sets forth.

### **Appointments on Council Liaison Committees**

City Manager Rodger Craddock reported the Parks Commission and the Coos County Urban Renewal Agency – North Bay District Council liaison positions were currently vacant due to former Councilor Jon Eck's resignation as a City Councilor. It was the consensus of the Council to appoint Councilor Mike Vaughan to fulfill the two Council liaison positions on the Parks Commission and the Coos County Urban Renewal Agency – North Bay District and to reassign Councilor Johnson's assignment on the Coos Art Museum Board to Councilor Vaughan.

### **Approval of a Contract with CH2M Hill, OMI**

Public Works and Development Director Jim Hossley stated the 2001 contract between the City and CH2M Hill OMI for the operation and maintenance of the city's wastewater treatment plants together with the wastewater and storm water collections systems was due to expire on June 30, 2011. Per Council's direction given at the April 20, 2010 Council Meeting staff negotiated with CH2M Hill for a five year contract extension. Changes to the proposed contract included: updating the city's new insurance requirements; revising the definition of a capital cost from \$2,000 to \$5,000; and adding language to certain paragraphs to better clarify requirements; required CH2MHill to provide Pollution Liability coverage; a revised scope of work included adding utility locates and quarterly grease trap inspections of commercial facilities to CH2M Hill OMI's list of duties; and provide a formula based approach to resolve any failure between the City and the contractor to agree to the estimated total direct cost per contract year by using the Consumer Price Index for the Western Region. Under the proposed contract the base fee for

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FYE 2012 was \$1,941,555. Councilor Melton inquired why there was a change from the ten year contract to a five year contract. City Manager Rodger Craddock stated the decision was due to the advice of the bond council. Mayor Shoji inquired if the City was actually realizing a cost savings with the changes and additions to contract. Mr. Hossley stated it was not clear if the changes would be a cost savings to the City but stressed the importance of the continuity of service provided by CH2M Hill OMI and their familiarity with the City's wastewater treatment plants during the pending upgrades. Councilor Muenchrath moved to award the contract to CH2M Hill OMI to furnish management, operations, and maintenance services. Councilor Johnson seconded the motion which carried with Mayor Shoji and Councilors Johnson, Kramer, Melton, Muenchrath, and Vaughan voting aye. Councilor Groth was absent. Pat Kavan, Project Manager for CH2M Hill OMI: Suggested continuity of service was critical especially over the next five years during the reconstruction of wastewater treatment plant no. 2; thanked the Council; and stated he looked forward to working with the City for another five years.

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

City Attorney Nate McClintock stated at the last Council Meeting there was a question about whether or not the City was required to purchase from the low bidder or if the City could pay more to purchase from a local vendor. Mr. McClintock confirmed in consideration of the purchase of personal property the City was not required to purchase from the low bidder and could choose to pay more to purchase from a local vendor. However Mr. McClintock did stress these rules did not apply to public improvement contracts.

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

City Manager Rodger Craddock stated the Fire Department received a lower bid from a local dealership over the state bid in consideration of the purchase for a new fire vehicle; and reported the City completed and signed a new three year contract with the International Association of Fire Fighters (IAFF).

### **Council Comments**

Councilor Johnson reminded citizens the current exhibit at the Coos Art Museum was the Thunder exhibition of motorcycles and motorcycle art to be shown from June 10 – July 23, 2011; encouraged all local employers to have their employees to take the Oregon Q Care training. Councilor Melton highly recommended visiting the motorcycle exhibit at the Coos Art Museum; reported the next scheduled Veterans Stand Down was scheduled for September 9<sup>th</sup> and encouraged the support of local businesses. Councilor Kramer reminded everyone the Clamboree was scheduled for June 25<sup>th</sup> in Empire; and reported the Daughters of American Revolution would also be re-dedicating the Camp Castaway Marker at 2:30 p.m. on the 25<sup>th</sup>; thanked City staff for their assistance in sprucing up Empire in preparation of the Clamboree; and inquired about signage. Councilor Vaughan suggested the signs depicting the City's logo were looking very worn and suggested it was time to update the logo; wanted the City to pursue implementing the tennis courts planned for Park Street; questioned if the costs of lead paint encapsulation and seismic retrofitting would affect the rehabilitation of older buildings in the downtown; inquired as to the timeline for the north spit treatment plant and suggested looking into incorporating interruptive walks around the new plant; also recommended the motorcycle exhibit at the Coos Art Museum; and requested staff look into retrofitting one of the boardwalk

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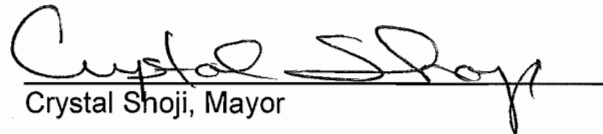
pavilions into a restaurant. Mayor Shoji requested a discussion about the entire waterfront be added to a future agenda; expressed appreciation to local downtown business for the support of the wine walk; inquired as to her duties as Mayor during the 4<sup>th</sup> of July activities; and inquired who would be attending the re-dedication of the Camp Castaway Marker. Economic Revitalization Administrator Joyce Jansen stated Mayor Shoji was scheduled give at speech at 2:30 p.m. during the re-dedication of the Camp Castaway Marker.

**Adjourn**

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting is scheduled for July 5, 2011 in the Council Chambers at City Hall.

Attest:

  
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Susanne Baker, Acting City Recorder

  
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Crystal Shoji, Mayor