

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

July 7, 2015

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 Fred Brick, Mark Daily, Jennifer Groth, Thomas Leahy, and Mike Vaughan. Councilor Stephanie Kramer was absent. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Library Director Sami Pierson, Public Works Director Jim Hossley, Community Development Director Eric Day, Fire Chief Mark Anderson, and Police Chief Gary McCullough.

City Council Interviews

At 5:30 p.m. prior to the start of the regularly scheduled Council meeting, interviews for open positions on the Library Board and Tree Board were conducted in the City Hall conference room. No decisions were made.

Flag Salute

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

Mayor Shoji reordered agenda item 6: presentation of appreciation award for disable parking volunteer officer Joe Gleich as agenda item 1a.

Presentation of Appreciation Award for Disabled Parking Volunteer Officer Joe Gleich

Police Chief Gary McCullough introduced Joe Gleich and thanked him for his service as a disable parking enforcement officer (DPE). Chief McCullough stated Mr. Gleich served as a DPE officer from December 2009 and donated nearly 1,288 hours of volunteer service to the cities of Coos Bay and North Bend. Mayor Shoji presented Mr. Gleich with an appreciation of service plaque.

Public Comments

No comments were given.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of appointment of Coos Bay representative to the Coos County Library Service District Board, and; 3b: approval of an Oregon Liquor Commission Control (OLCC) annual license renewal for 7-Eleven Store #2363-17090C. Councilor Groth moved to approve the consent calendar approving the appointment of Coos Bay representative to the Coos County Library Service District Board and approving an OLCC license renewal for 7-Eleven Store #2363-17090C. Councilor Leahy

City Council Minutes – July 7, 2015

seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Leahy, and Vaughan voting aye. Councilor Kramer was absent.

New Council Business

Councilor Daily expressed concern about prohibited signage/advertisement placement along Highway 101.

Mayor's Appreciation Award for Cricket Soules

City Manager Rodger Craddock stated on May 7, 2002, former Mayor Benetti instituted the "Mayor's Appreciation Award" to formally recognize citizens for extraordinary contributions to the community. In May of 2015 Mayor Shoji expressed her desire to recognize and thank Cricket Soules for her advocacy and tireless energy to restore and preserve the Marshfield Pioneer Cemetery for the betterment of the community. Mayor Shoji presented the Mayor's Appreciation Award to the Ms. Soules. Ms. Soules provided a brief history on the Marshfield Pioneer Cemetery and the Sailor-Soldier Monument restoration project and rededication.

Presentation and Acceptance of the Street Survey

Public Works Director Jim Hossley stated based on recommendation from the Streets Task Force, the Council approved updating the City's Street Condition Survey. The final draft report was submitted to staff on June 1st for Council review. Mr. Hossley provided the Council with a PowerPoint presentation of the final draft report and noted the consultant's recommendations generated from their Pavement Management Program (PMP) were for planning purposes only and were not intended to replace sound engineering judgement. The pavement network within the City of Coos Bay had 67.0 centerline miles of pave surfaces, comprised of 50.4 miles of local streets, 6.7 miles of collector streets, and 9.9 miles of arterial streets resulting in a total of over 11,557,160 square feet of pavement. The estimated replacement value of the pavement was \$46.9 million for local/collector streets and \$17.1 million for arterial; combined total of \$64 million. The overall condition of the City of Coos Bay's road network was "fair", with an average "pavement condition index" (PCI) of 64.3, with 100 being a brand new street and zero being a badly deteriorated street with virtually no remaining life. Mr. Hossley reviewed PCI ratings by paved surface type. Based on findings, a strategy was developed to reduce the backlog of street preservation work over the next five years and increase the overall condition of the road network; using both slurry seal and pavement resurfacing as preservation components.

The consultant suggested preventative maintenance on streets with better than average PCI ratings must be considered in combination with the more extensive rehabilitation of failing streets to realize the maximum net benefit and reduce the long term costs. Future roadway plans for the City should be based on the general maintenance strategies developed from the pavement system analysis in combination with the other major contributing factors. Three different budget scenarios were proposed by the consultant to assist in developing an annual expenditure level required to maintain the street network at its current average PCI level: unlimited budget, a five year slurry seal budget, and a recommended budget. The unlimited budget scenario was the amount of money necessary to complete all of the maintenance required each year for the entire roadway network which totaled approximately \$19.6 million in backlog maintenance. The five year slurry seal scenario recommended budgeting

City Council Minutes – July 7, 2015

approximately \$250,000 for slurry seal maintenance required each year for the entire roadway network. The recommended budget scenario was a \$750,000 a year for five years (\$3.75 million total) maintenance budget for thin overlay, overlay, reconstruction, and slurry seals; recommended reassessing the street network to identify projects for the second and five year periods. Mr. Hossley reviewed the consultant's proposed process and list of suggested projects under the "recommended budget" scenario and explained the slurry seal process.

Mr. Hossley noted on April 7, 2015, the Council discussed the Streets Task Force recommendations for funding street maintenance and repair which included increasing the PacifiCorp franchise fee an additional 2% to cover the City's current cost for streetlight and traffic signal expense and implementing a \$0.05/gallon local fuel tax. Funding recommendations were estimated to annually generate \$320,000 and \$500,000, respectively. Councilor Daily expressed concern about the large sum of backlog maintenance totaling \$19.6 million; suggested the City needed to reevaluate its budget process; suggested cutting staffing levels. Mayor Shoji and Councilors Groth and Leahy were in favor of moving forward with a plan for maintaining city streets. Councilor Brick questioned whether the proposed fuel tax should be increased higher than the proposed \$0.05/gallon. Mayor Shoji moved to accept the Coos Bay Citywide Pavement Management Plan as presented by staff and recommended by the Streets Task Force. Councilor Groth seconded the motion which carried with Mayor Shoji and Councilors Brick, Groth, Leahy, and Vaughan voting aye and Councilor Daily voting nay. Councilor Kramer was absent.

Public Hearing to Consider a PacifiCorp Franchise Agreement – Approval Would Require Enactment of the Proposed Ordinance and Adoption of Resolution 15-08

City Manager Rodger Craddock stated the Streets Task Force recommended increasing the PacifiCorp franchise fee an additional 2% to cover the City's current cost for streetlight and traffic signal expenses. The reconditions were presented to the Council on April 7, 2015 and by consensus the Council asked staff to open negotiations with PacifiCorp for a successor franchise agreement. The proposed ordinance provided for the increase in compensation from PacifiCorp for use of the City's right-of-ways for a ten (10) year non-exclusive agreement with language protecting the City's rights to manage city right-of-ways and the conditions under which PacifiCorp could use the right-of-ways for their utility. City Manager Craddock stated the proposed ordinance was similar to one adopted by the City of North Bend, who increased their franchise fee to 9% earlier in the year. Should the Council wish to enact the ordinance, staff recommended to approve the proposed resolution to codify the revenue derived from the increased franchise fees to be transferred into the Gas Tax Fund for the purpose of increasing funds available for street maintenance.

Mayor Shoji opened the public hearing. Denny Powell, Coos Bay: urged the Council to vote no on the proposed PacifiCorp franchise increase; provided the Council with a letter of concern. No further public comments were given and the hearing closed. Councilor Groth suggested the tax was necessary to fund street maintenance. Councilor Daily estimated citizens would see a \$50 annual increase to their power bills.

Councilor Groth moved to enact the ordinance granting an electric utility franchise and general utility easement to PacifiCorp and repealing Ordinance 438, and to adopt resolution 15-08 as a result of the City Council enacting an Ordinance to increase the electric utility franchise fee with

City Council Minutes – July 7, 2015

PacifiCorp to 9%. Mayor Shoji seconded the motion. Deputy Finance Director Amy Kinnaman read the ordinance by title only and Ordinance No. 468 was enacted and Resolution 15-08 was adopted by the following vote:

Aye: Mayor Shoji and Councilors Brick, Groth, Leahy, and Vaughan
Nay: Daily
Absent: Kramer

Public Hearing to Consider a Proposal to Vacate a Portion of Fir Avenue – Approval Would Require Enactment of the Proposed Ordinance

Community Development Director Eric Day stated the proposed vacation was initiated by Council motion on April 21, 2015 at the request of the applicant. On June 9, 2015, the Planning Commission voted unanimously to recommend approval of the proposed vacation with the condition an access and utility easement for the entire vacated piece would be required for an existing storm drain line which ran easterly across the southern limits of the property and permanent structures were prohibited in the vacated areas. Mr. Day provided the Council with the Planning Commission recommendation which addressed the decision criteria, findings, and the conclusion for the proposed vacation. The Port of Coos Bay, Coos Bay/North Bend Water Board, and Coos Bay Fire Department expressed no objections to the proposed vacation.

Mayor Shoji opened the public hearing. Steve Greif, spoke on behalf of the applicant (Coos History Museum) stated the proposed section of land would allow for better pedestrian and maintenance vehicle access onto the museum property. No further public comments were given and the hearing closed. Councilor Groth moved to enact the proposed ordinance approving the vacation of Fir Avenue, East of the North Front Street right of way and abutting Lot 19, Block 65, in the Bennett's Addition to Marshfield, found in Section 26BD, Township 25, Range 13 West of the Willamette Meridian, Coos County, Oregon, subject to the noted conditions. Councilor Leahy seconded the motion. Deputy Finance Director Amy Kinnaman read the ordinance by title only and Ordinance No. 469 was enacted by the following vote:

Aye: Mayor Shoji and Councilors Brick, Daily, Groth, Leahy, and Vaughan
Nay: None
Absent: Kramer

Consideration of Appointments to the Library Board

City Manager Rodger Craddock provided a brief history of the Library Board; noted applications were received from Robert More, Gina Sutherland, and Paul Walton for two openings on the Library Board. By action of Council ballot the Council appointed Robert More and Gina Sutherland to the Library Board for four-year terms ending June 30, 2019.

Consideration of Appointments to the Tree Board

City Manager Rodger Craddock stated there were four openings on the Tree Board; reviewed the composition and procedures for the Tree Board noting the current ordinance stated the composition of the Tree Board should consist of one member of the City Council and one member from the Aesthetics Committee; one member could live outside city limits. City

City Council Minutes – July 7, 2015

Manager Craddock noted the Council had changed other ordinances to recognized residency to include citizens living inside city limits and those owning property inside city limits; recommended the Council update the Council and aesthetics member requirement and amend the residency and membership requirements listed in the current ordinance which would allow for the Council to appoint four new members to the Tree Board. Council consensus was to amend the current Tree Board ordinance and to appoint four new members to the Tree Board. Applications were received from Meredith Childs, Rex Miller, Skip Shipman, Kim Singh, and Grant Walding. By action of Council ballot, the Council appointed Meredith Childs, Rex Miller, Skip Shipman, and Grant Walding to the Tree Board for four-year terms ending June 30, 2019.

Consideration of Extending the Wastewater Operation and Maintenance Contract with CH2M/OMI

Public Works Director Jim Hossley stated the City had contracted with CH2M/OMI since 1996 to provide wastewater operation and maintenance services. The City's current contract with CH2M/OMI was set to expire on June 30, 2016. Per the contract, 270 days prior to contract expiration the City would need to advise CH2M/OMI if the City intended to extend the contract. Mr. Hossley noted under the existing contract the Council could elect to extend it up to an additional five (5) years. The Council could also elect to let the contract expire and advertise a Request For Proposal (RFP) from interested firms, or hire and use City staff to provide wastewater operation and maintenance service.

Mr. Hossley briefly reviewed the advantages and disadvantages to extending the CH2M contract, allowing the contract to expire, and hiring City personnel to operate and maintain the city wastewater system. CH2M's direct cost for fiscal year 2016 was budgeted at \$1,827,044. The direct costs included labor, benefits, and estimated overtime. Other direct costs included, but were not limited to chemicals, lab supplies, utilities, fuel, repairs, and maintenance parts. Mr. Hossley noted CH2M made two proposals should the Council choose to extend the contract. The first was for a 3-year extension which might extend through the construction of WWTP 2; they would not change the contract scope with full operation and maintenance to current WWTP 2 while assisting with construction of the WWTP 2 (\$12,600 direct labor savings); operation and maintenance process of the new WWTP 2 developed and documented to aid with preparation of a future RFP, and; a zero percent increase in the base fee for the first year of the 3-year extension. The second proposal was a 5-year extension which included items proposed in the 3-year extension with the exception they offered a -1% (a reduction) in the base fee for the first year of the agreement resulting in approximately \$33,000 in savings (included the savings listed in first option).

Mr. Hossley stated the cost for preparing an RFP for a new operation and maintenance contract would be staff time, work taken away from other projects, and cost of advertising. The direct costs for using City employees to perform wastewater maintenance and operations for the treatment plants and the collection system was estimated to range from \$2,221,249 to \$2,354,611 per year using the fiscal year 2016 wage schedule. The labor costs estimated all employees were at step four of a seven step pay scale. Denny Powell, Coos Bay: suggested the Council should take the opportunity to see if there were options to save money or to find similar or better expertise for operations and maintenance. David Petrie, Coos Bay: suggested the Council should request CH2M/OMI performance records to know what standard were being maintained. City Manager Rodger Craddock suggested hiring city staff was not a viable option

City Council Minutes – July 7, 2015

for wastewater operation and maintenance. Mayor Shoji and Councilor Daily noted the importance of the bidding process to ensure transparency and the best use of public funds. Councilor Leahy moved to go out for bid for maintenance and operation services. Councilor Daily seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Leahy, and Vaughan voting aye. Councilor Kramer was absent.

Continuation of Consideration of Approval for the Wastewater Treatment Plant No. 2 Outfall

Public Works Director Jim Hossley noted at the June 30, 2015 Council meeting, the Council requested additional information regarding the outfall prior to making a decision on the matter. Mr. Hossley clarified a mixing zone was the region in which the initial dilution of discharge occurred. The regulatory mixing zone was a definition which allowed for the initial dilution of a discharge rather than imposing strict end-of-pipe concentration requirements for national pollution discharge and elimination system (NPDES). Water quality permits for conventional and toxic discharges. Mr. Hossley reviewed the mixing zone requirements as directed by the United States Environmental Protection Agency (USEPA); noted the City planned to continue to use the existing outfall and diffuser when the new Wastewater Treatment Plant 2 (WWTP 2) was built.

Mr. Hossley stated the current WWTP 2 discharged through an outfall located approximately 1,800 feet due west of the plant near River Mile 3.8. Based on 1975 drawings and the November 2009 dive inspection of the outfall and diffuser, the outfall consisted of a 27-inch lined and coated concrete pipe approximately 1,826 feet long and the diffuser section as a 20-foot corrugated steel pipe (24-inch) with five 5-foot long horizontal 10-in diameter pipes with 10-in ports and spaced 10 feet apart. The diffuser had ports located along an east-west axis of 25 feet in length, and 10 feet north and south of the pipe axis. The 2009 dive inspection located three of the five ports. The two ports on the south side of the diffuser were not located or were buried under sand. In 2014, the Department of Environmental Quality (DEQ) recommended the City complete a mixing zone analysis for the outfall serving WWTP 2 as part of the NPDES permit renewal process. Due to inconsistencies found during the analysis, it was concluded for the purposes of modeling an accurate mixing zone that a new dive inspection was necessary. The new 2015 dive report identified significant deterioration of the outfall since the 2009 investigation. The dive investigation determined of the five diffusers two ports were silted up, two were damaged, and one had broken off; a three to four inch gap was also noted in the top of the pipe near the end of the outfall. After two conference calls with City staff, DEQ, and CH2M/OMI, it was recommended an interim fix needed to be performed on the diffuser until a permanent fix could be designed, permitted, funded, and constructed. Mr. Hossley stated staff requested a scope of work from CH2M for the preparation and permitting of an interim fix for the outfall along with performing a revised mixing zone analysis based on the repairs; design cost was estimated at \$30,000 and construction costs at \$70,000.

Mayor Shoji stated she researched and found the diffuser was properly zoned and permitted; stated she was confident it was a permitted use and recommended the Council move forward with the interim fix. City Manager Craddock advised if the City did not complete the interim fix, the City would not be permitted to move forward with the new WWTP 2. Councilor Vaughan suggested deterioration of the outfall was a maintenance oversight; questioned who was responsible and recommended a review of performance records. Mayor Shoji moved to

City Council Minutes – July 7, 2015

approved \$100,000 for design and construction (bidding process to be performed upon completion of design and permitting) for the repair of the outfall serving WWTP 2. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, and Leahy voting aye and Councilor Vaughan voting nay. Councilor Kramer was absent.

City Attorney's Report

No comments were given.

City Manager's Report

No comments were given.

Council Comments

Councilor Leahy: noted the high costs of living in the county and suggested living in a city had great value. Councilor Daily: stated the Supreme Court had made a recent decision on local sign ordinances and asked the City Attorney to review the decision for any conflict with City ordinances. Mayor Shoji: expressed thanks to the Mill Casino for hosting a rally for the Northwest Area Family Motor Coach Association on behalf of the community.

Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for July 21, 2015 in the Council Chambers at City Hall.


Crystal Shoji, Mayor

Attest: 
Susanne Baker, City Recorder