

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

February 2, 2016

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

Flag Salute

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

Public Comments

No comments were given.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the work session and regular minutes of January 19, 2016 and 3b: ratification of Planning Commission representative appointments to the Parks Commission and Urban Renewal Advisory Committee. Councilor Daily moved to approve the consent calendar approving the work session and regular minutes of January 19, 2016 and ratifying Planning Commission representative appointments to the Parks Commission and Urban Renewal Advisory Committee. Councilor Kramer seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, and Vaughan voting aye. Councilor Leahy was absent.

New Council Business

Mayor Shoji suggested the Oregon Business Development Department's presentation on wood maximization program be placed on the agenda to encourage the use of local wood products.

Presentation of Appreciation Plaques for Lucinda DiNovo, Colin Myatt, and Brooke Walton for Their Service on the Budget Committee

City Manager Rodger Craddock stated Lucinda DiNovo, Colin Myatt, and Brooke Walton all served on various committees and thanked them for their service to the community. Mayor Shoji presented Ms. Walton with an appreciation of service plaque. Ms. DiNovo and Mr. Myatt were not able to attend. Ms. DiNovo and Mr. Myatt served on the Budget Committee from January 2013 through December and Ms. Walton served from January 2014 through December 2015.

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Introduction of the Downtown Association’s New Main Street Manager Elizabeth-Claire Knox and Presentation of the Semi-Annual Management Report

The Downtown Association (DTA) new Main Street Manager, Elizabeth-Claire (EC) Knox, provided a PowerPoint presentation recap of 2015 events and projects. Highlights included promotion of the 3A Basketball State Championship, Festival of Sails, Farmers Market, Music on the Corner, Blackberry Arts Festival, Halloween Trick-or-Treat, Downtown Holiday Open Houses, social media promotion, Santa and Tree Lighting, and “Shop Small” Saturday. Projects for 2016 included: updating downtown wayfinding signs, flower baskets, staffing the Main Street Office, and the downtown beautification project. Ms. Knox stated she was pleased to be part of the DTA and welcomed people to stop by her office in the Hall Building.

Consideration of Using State Contracting Rules and Suspending City Contracting Rules for the Dolphin Theatre Façade Project

Public Works Director Jim Hossley stated on January 5, 2016 the Urban Renewal Agency (URA) approved funding Agency management of a façade improvement project for the Dolphin Theater not to exceed \$97,200. Prior to URA’s consideration of the project, the Dolphin Players obtained three quotes for the façade project. The procurement process was in accordance with the State of Oregon contracting rules found in ORS 279B.070, Intermediate procurements. When conducting an intermediate procurement, it was necessary to seek at least three informally solicited competitive price quotes or competitive proposals from prospective contractors. The quotes obtained were \$97,200 from Tom Gayewski Construction, Inc., \$122,970 from Welborne & Sons, Inc., and \$125,892 from Scott Partney Construction, Inc.

Mr. Hossley advised the City rules for public contracting required acquisition of services for a project over \$25,000 to be procured using an advertised invitation to bid (ITB). The ITB process was not used for the Dolphin Theatre façade project. The City Council, acting in its capacity as the Contracting Board had the power to create contracting rules and/or suspend those rules in favor of the State Contracting rules. Suspension of the City’s contracting rules in favor of the State’s could minimize project cost and save time; rebidding the project could result in higher bids from contractors.

Councilor Daily suggested the \$25,000 Council approval threshold should be higher, possibly \$50,000. Mr. Hossley stated staff agreed with Councilor Daily and would propose the threshold be increased. Consensus was for staff to bring back a recommendation to adjust the Council approval threshold. City Attorney Nate McClintock stated the State of Oregon had higher thresholds than the City as did many other cities.

Councilor Kramer moved to authorized the onetime suspension of the City’s contracting rules (Resolution 08-02) for the Dolphin Theatre façade project in favor the State’s contract rules (ORS 279B.070). Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, and Vaughan voting aye. Councilor Leahy was absent.

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Approval of After-the-Fact Emergency Sewer Repair for the Force Main Serving Pump Station 21

Public Works Director Jim Hossley stated the morning of Thursday, January 21, 2016 the CH2M/OMI collection crew observed sewage at the surface just outside of the Pump Station 21 located along Ross Inlet Road, adjacent to the Sause Brothers' property. After further investigation, it was determined there was a break in force main pump that served the station. Staff contacted Benny Hempstead Excavating Inc. who repaired the break. Because the cost of the work was less than \$25,000, the City Council would not typically be required to approve. However, since this was an emergency, standards procurement rules were not followed, thus the Council must approve an emergency contract.

Mr. Hossley reviewed the conditions which resulted in the City declaring a need for emergency repair pursuant to Section 11 of the City's contracting rules. The total cost of repair was \$3,773.52; due to the emergency nature, staff was unable to obtain three phone quotes per the City's contracting rules. Councilor Vaughan moved to approve the procurement method used for the emergency sewer repair of the force main servicing Pump Station 21 for an amount not to exceed \$3,773.52 pursuant to the emergency contracting rules found in Section 11 of the City's contracting rules. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, and Vaughan voting aye. Councilor Leahy was absent.

Discussion on the Building Code Fees

City Manager Rodger Craddock stated in 2014, the city started reviewing Building Department fees. The fees, other than some minor adjustments, had not been increased since 2001. While the fees remained unchanged, the cost to provide service had increased. The Municipal Cost Index (MCI), developed exclusively by American City & County, was designed to show the effects of inflation on the cost of providing municipal services. Mr. Craddock noted according to the MCI, the cost of providing municipal services had risen by over 39% over the last 15 years; also reviewed the cost to operate and administer the Building Codes Division (BCD) over the past twelve years, noting in recent years expenses exceeded revenues.

In September 2014, staff met with the Council Finance Committee and discussed the need to increase the BCD fees by 30%. The City contracted with John Hitt to conduct an evaluation of the City's permitting process in late 2014 and early 2015 with one of his recommendations to the Council to consider increasing the BCD fees. A recommendation to increase fees was forwarded to the Council on March 3, 2015 and based on consensus from the Council, staff sent the proposed BCD fee increase to the State for the required 45-day notice period; staff was to bring the proposed fee modifications to Council to hold a public hearing and possible adoption of the proposed fee increase. The State did not receive any comments during their 45-day review period. On June 2, 2015, the Council held a public hearing to consider adoption of a resolution to increase the BCD fees. During the public hearing, two people testified; one of which was a contractor who suggested allowing the state to operate the Building Codes Department as they would do it at a lower cost. The Council delayed taking action on the proposed fee increase to allow staff time to look into the advantages and disadvantages of allowing the State to take over the BCD services.

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City Manager Craddock stated he contacted Michael Morter and Tom Phillips the Oregon Building Codes Regional Services. They advised the State Building Codes Division could administer the building codes for the City. The State would perform the services and charge customers the City's established fees of which the State would keep 90% of the fees. The State did advise they would not perform all of the services the City currently provided, specifically inspections and enforcement of substandard and dangerous building codes.

Currently the BCD budget, at least partially, supported eleven positions within the City. All of the positions either provide direct or indirect support to the division. Most of those positions received less than 3% of their salary from the fund. The Building Department administrator (our Building Official) (85%), code enforcement position (25%), and the City's two planning code specialists (50%) received a much larger portion of their salary from the fund. The two planning code specialists assisted customers with building code applications, as well as assistance with land use applications, engineering services, business licenses, and special event applications. They also provided customer service with code enforcement, Public Works, Community Development, and Engineering.

If the City decided to contract with the State to provide building code services, it would need to eliminate at least three full time positions. With the elimination of the Building Official's position, the City would not be able to investigate nor enforce substandard and/or dangerous building codes issues. The elimination of the code planning specialists would have an impact on customer service assistance with planning, business license administration, and processing special event applications.

City Manager Craddock noted back in 1997, the Council was faced with funding constraints in the General and the Building Codes funds. The constraints on the General Fund were further aggravated by the fact the building code fees were being supplemented with General Fund resources. The Council ultimately decided, based on discussions with the local home builders association, to maintain control of the services. As to the fees, the Council referred the matter to the voters who through their vote amended the City's Charter to say in part "...In each fiscal year, the building inspection program shall to be entirely funded by user fees; fees so charged shall be exclusively dedicated to funding the building inspection program, including capital costs, and shall be based on the actual cost necessary to administer and continue the program without contribution of any property tax revenue" (Coos Bay City Charter Section 9.13). As to the work load of the department, in 2015 staff processed over 731 permits ranging from new residential and commercial construction; residential and commercial remodels; mechanical; mobile home placements; plan checks; fire, life, safety checks; etc. In addition, staff performed over 2,400 related inspections.

Mayor Shoji opened the floor to public comments. No comments were given. Councilor Kramer stated a contractor friend requested the Council not turn the building program over to the State of Oregon. Councilor Groth asked where the current revenue source was derived as it appears there was a deficit wherein City Manager Rodger Craddock stated carryover from prior years was balancing the deficit. Mayor Shoji stated she worked for many cities and they do not have the capacity to have an internal building department. The complexity of new applications, consultants and staff's ability to work directly with the building department, and coordination was important and eased the development and building process. Mayor Shoji was in favor of retaining the building department. Councilor Daily asked if the annual indexing could be

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adjusted during good years for reconsideration and why a 30% increase. City Manager Rodger Craddock stated the Council would review the fees every two years through the fee resolution. Councilor Daily questioned since the State of Oregon fees were approximately half, would a customer receive half the service. City Manager Rodger Craddock stated similar questions were asked in 1997 when revenue was a concern. The State of Oregon only has inspectors available locally a couple days a week wherein City staff receives phone calls daily requesting and receiving same day inspection. Community Development Director Eric Day stated the State of Oregon would not take the building codes program if the fees were less than the City's current fee schedule, it was one of the conditions for receiving the program.

Finance Director Susanne Baker stated in the chart provided, over the course of approximately a ten year period the revenues had a smoothing effect on the expenditures during the poor economic conditions in Coos Bay. The carryover from the good years was funding current operations. Mr. Day stated the departmental revenue was short approximately one-third of the revenue needed, which justified the 30% increase. Mayor Shoji asked about the calculation of building valuation wherein Mr. Day explained the State of Oregon formula. Mayor Shoji asked how the fee structure for the \$100,000 and \$50,000 building permit was derived as those fees were different from other cities. Ms. Baker stated the valuation tables were updated annually and depending on which version each city adopted, this would affect how the valuations were calculated.

Councilor Groth moved to submit the proposed fee increase to the State of Oregon for public comment and bring back the fees for Council adoption. Councilor Kramer seconded the motion which carried with Councilors Brick, Daily, Groth, Kramer, and Vaughan voting aye and Mayor Shoji voting nay. Councilor Leahy was absent.

City Attorney's Report

No comments were given.

City Manager's Report

City Manager Rodger Craddock provided an update on the items listed in the petition with over 80 signatures regarding the slope of the intersection at Nutwood and Coos Bay Blvd and vision clearance issues. Staff reviewed the vision clearance issues and trimmed the shrubbery which increased the vision clearance. Police Chief McCullough reviewed the accident history at this intersection and found no accidents. Staff would advise the cost to change the slope of the intersection. Mr. Craddock stated less than 10% of the petition signers were residents of the area. Oregon Department of Transportation (ODOT) was engineering corrective measures for the Coos River Hwy curves and it appeared there would be ODOT and Federal funds to help cover costs of the repair. The temporary traffic lights on Coos River Hwy were approximately \$5,000 per month and funded by ODOT. The West Park Roadway damage was submitted to Federal Emergency Management Administration which might cover 75% of the permanent repair.

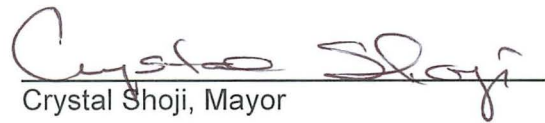
Council Comments


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Councilor Groth stated on February 5th at 8:00 a.m., near the Coos Bay Boardwalk sign, the Coos Waterfront Walkway committee would gather to look at placement of the new trail marker sign; and reminded of a job fair at the Coos Bay Library, February 10th from 1:00 - 4:00 p.m. Councilor Kramer reminded bicyclists that sidewalks were not for bicycles. Councilor Daily remembered the loss of life of the fishermen and gave his condolences. Mayor Shoji stated the sign on the recently reversed street between Central and Commercial needed correction. Councilor Vaughan stated next to the recent emergency repair on 4th Street there was a new road issue; advised some street drains were not working and half of Telegraph was draining down 4th Street.

Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for February 16, 2016 in the Council Chambers at City Hall.


Crystal Shoji, Mayor

Attest: 
Susanne Baker, City Recorder