

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

November 1, 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 were present. 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, 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

Ken Folker, Coos Bay: thanked Council for the efforts and wished everyone luck in upcoming election; encouraged citizens to vote and expressed thanks to all Veterans for their service to the country. Allen Goldman, Coos Bay: stated he lived on N. 14th Street; expressed concern about increased traffic, excessive speed of traffic and a lack of signage; requested the Council install speed limit or caution sign. Stephanie Kilmer, Coos Bay: announced on behalf of Rotary and K-DOCK radio that the "Bus Jam" food and toy donation event was scheduled for Saturday, December 3rd from 10 a.m. to 3 p.m. at the Coos Bay and North Bend Bi-Mart Stores, US Cellular in Bandon, and Coquille Valley Hospital.

Councilor Vaughan entered the meeting at 7:04 p.m.

Consent Calendar

Mayor Shoji reviewed the consent calendar which consisted of 3a: approval of the minutes of October 18, 2016, and; 3b: approval of a change of ownership for Oregon Liquor Control Commission (OLCC) license for Kum-Yon's Restaurant. Councilor Groth moved to approve the consent calendar approving the minutes of October 18, 2016 and change of ownership for OLCC license for Kum-Yon's Restaurant. Councilor Brick seconded the motion which carried with Mayor Shoji and Councilors Brick, Daily, Groth, Kramer, and Vaughan voting aye.

New Council Business

No new council business was presented.

Presentation of the Swearing-In of Police Officer Daniel Henthorn

Police Chief Gary McCullough stated Officer Daniel Henthorn was recently hired as a Coos Bay Police Officer. He previously worked as a Police Office for the past seven years for the Coquille

City Council Minutes – November 1 ,2016

Police Department and was a certified police officer through the Department of Public Safety Standards and Training. Officer Henthorn's experience included serving as a field training officer, taser instructor, and member of the Interagency Evidence Collection Team and Major Crimes Investigation Team. Police Chief McCullough swore-in Dan Henthorn as a Police Officer for the City of Coos Bay. Officer Henthorn was assigned badge no. 124. Officer Henthorn stated he appreciated the opportunity; noted he loved his time with the Coquille Police Department and his heart was part of the Southern Oregon Coast; and stated when he got into law enforcement, the Coos Bay Police Department was where he wanted to work. Officer Henthorn stated he was not looking for a place to start, he was looking for a place to stay and was excited about the opportunity.

Public Hearing to Consider Approval of an Amendment to the Northwest Natural Gas Franchise Ordinance – Approval Would Require Enactment of Proposed Ordinance

Finance Director Susanne Baker stated earlier this year Northwest (NW) Natural Gas notified the City of Coos Bay they negotiated a higher franchise rate with another entity which increased their franchise fee by .94%. Pursuant to Section 3.5, Favorable Customer Provision, the City may elect to re-negotiate the franchise fee for the franchise and require payment of a similar fee provided to the third party. The change in franchise fee and exercise of Section 3.5 was brought before the Council for consideration at the June 21, 2016 meeting wherein the Council directed staff to amend the franchise with the new franchise fee. The increase in franchise fee of .94% was anticipated to remit an additional \$10,000 per fiscal year. Ms. Baker stated franchise agreements and amendments were enacted through the ordinance process which required a public notice and public hearing.

Mayor Shoji opened the public hearing. Wim DeVriend, Coos Bay: questioned if NW Natural Gas was going to pass on the additional cost to customers and if their rates were controlled by the City. Ms. Baker stated the franchise fees was what the users of natural gas paid to the city for the privilege of NW Natural Gas using the public right-of-way. Mr. DeVriend questioned if it was added on to customer's bills whereby Ms. Baker stated yes. Mr. DeVriend clarified that the customers would pay more, not NW Natural Gas. Ms. Baker stated correct, the fee passed through NW Natural Gas. Mr. DeVriend stated he was not altogether sympathetic to that. City Manager Rodger Craddock stated rates that NW Natural Gas sold their product for were set by public utilities commission; City of Coos Bay set the rates for the privilege tax for use of the public right-of-way. Councilor Daily questioned if the funds were allocated to the general fund whereby City Manager Craddock stated yes. Councilor Vaughan questioned if there had ever been any consideration to direct franchise fee funding for repair of city streets. City Manager Craddock stated all franchise fees were allocated to the general fund; noted Council was aware that the property tax levy did not equate to enough to cover the costs to fund police and fire services. The remaining balance needed for the general fund was paid through a combination of things, the bulk of which was franchise fees. City Manager Craddock stated it was in the Council's discretion to designate different allocations; noted the recent increase to the Pacific Power franchise fee was dedicated to the streets fund. No further public comments were given and the hearing was closed.

Councilor Groth moved to enact the amendment to the NW Natural Gas franchise agreement approving the 5.94% fee through the ordinance process. Councilor Kramer seconded the motion.

City Council Minutes – November 1 ,2016

Deputy Finance Director Amy Kinnaman read the ordinance by title only and Ordinance 481 was enacted by the following vote:

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

Consideration of Responses to Request for Proposal for Wastewater Treatment Plant No. 2

Public Works Director Jim Hossley stated on September 20, 2016 a majority of the Council directed staff to advertise a request for proposal (RFP) for the provision of wastewater and related services for the City of Coos Bay. The proposal addressed eight provisions and was advertised in the Daily Journal of Commerce and The World newspapers. Responses to the RFP were due October 27, 2016 at 2 p.m. One response was received; from DB Western Texas (DBWT). The wastewater sub-committee reviewed the response on October 31, 2016; consensus was to forward the DBWT proposal to the Council for consideration.

Councilor Brick stated the committee discussed the main points of the proposal, the differences between the plans proposed by the City and approved by the Department of Environment Quality (DEQ) and the one designed by DBWT. Councilor Brick stated he went through the benefits of the DBWT proposed plan which included Class A water and to move away from Class B biosolids to Class A biosolids; the City would not be as involved in the wastewater process, costs passed on to the consumer would be less; noted there were a number of smaller things involved with the proposal which were also beneficial. Councilor Brick stated the task of the wastewater sub-committee was to review proposals as directed in the RFP and then bring forward the proposal(s) to the Council for consideration.

Councilor Vaughan stated he was overwhelmed by the data, was not a big graph person but the graphs told a hell of a story over the next 30 years and that was where the Council need to keep its head. In the long run and in perspective of the regulations coming down from Environmental Protection Agency (EPA) and DEQ, Council Vaughan suggested the Council needed to stay ahead of the game; suggested over the next 30 years, based on the exhibits (displayed a graph) the current route was expensive and the DBWT option looked to save somewhere in the range of \$5 million per year; noted he could be off a little. The graphs, if that was the fact, were very compelling.

Councilor Vaughan suggested scheduling a work session this week or next week, sometime before he was off the Council, to include staff and prospective Councilors; stated there was a new group of opinions that were involved in this thinking process. Councilor Vaughan stated he attended the debates and found the candidates to be out of the information circle; they were not aware of how the Council was proceeding with the matter and did not have the data from the RFP, or the accuracy of the information staff provided, or the accuracy of what the RFP provided. Council Vaughan again suggested a work session to air out the matter and give the players (Council, DBWT, city staff, prospective council, interested citizens, contractors, CH2M and, Mortenson) time to sit in a room to discuss the RFP for however long it took to come to a conclusion about the facts and what the city was dealing with. Councilor Vaughan stated it was apparent there was a majority of the Council that thought the City should move into a new

City Council Minutes – November 1 ,2016

technology; he thought it was important, had merit, and suggested it should be aired before the new Council was seated and possibly stuttered for a few months; suggested helping them to make some decisions they did not have the background information on. Councilor Vaughan stated he thought the Council should have an informative and conclusive work session; questioned if he needed to make a motion or if decision could be made by consensus. City Attorney Nate McClintock stated no motion would be required; a majority consensus would be fine.

Mayor Shoji polled the Council: Councilors Brick and Vaughan were in favor of a work session. Mayor Shoji and Councilors Daily, Groth, and Kramer were not in favor of a work session. Councilor Daily suggested at this point the current Council had already reviewed the matter and felt it was best to leave it to the future council. Councilor Brick questioned if it would be possible for a representative from DBWT be allowed to speak for five minutes about the benefits of their RFP.

Mayor Shoji asked City Manager Craddock if this was something typically allowed with RFP's. City Manager Craddock stated this was truly an unusual situation, he could not recall someone making a presentation but noted it was a Council decision. Mayor Shoji again polled the Council: Councilors Brick and Vaughan were in favor of allowing a representative from DBWT to speak for five minutes about the benefits of their RFP. Mayor Shoji and Councilors Daily, Groth, and Kramer were not in favor of allowing a representative from DBWT to speak for five minutes about the benefits of their RFP.

Councilor Vaughan stated he thought this was a free and open society. Mayor Shoji stated it was a RFP. Councilor Vaughan stated yes, and it was important that people understood it, noting he barely understood it, and suggested the future city council did not have a clue. Mayor Shoji questioned if the engineering staff reviewed the RFP. Councilor Vaughan stated he believed staff had already made up their minds even before seeing the figures. City Manager Craddock stated the motion for the RFP directed only the committee to evaluate the proposals prior to forwarding to Council; noted staff did review the figures earlier in the day after the committee completed their work. Based on the figures from the city's wastewater engineers and a review from the city's rate study consultant, they felt the city's figures were misrepresented and the DBWT proposed plan would actually cost more than the city's plan. Councilor Vaughan stated was there no time for a rebuttal. Mayor Shoji stated this was not a debate. Councilor Vaughan stated oh yes it was. Mayor Shoji questioned if there was anything further on the matter. Councilor Brick stated knowledge is power folks. Mayor Shoji stated she found it a little hard to assume; she heard Councilors state that city staff were lying to the Council. Councilors Brick and Vaughan stated they never said that. Mayor Shoji stated it may not be you or you acknowledging Councilors Brick and Vaughan. Councilor Daily stated he questioned the information staff provided. Mayor Shoji stated she did not see what the purpose was; suggested someone with outside expertise would need to review the RFP or the city needed to move forward with what DEQ approved noting 30 engineers reviewed the DEQ approved plan. Councilor Kramer noted at one point she did make a motion for in independent review of the RFP and it was voted down. Mayor Shoji stated the topic was closed. Councilor Vaughan stated whatever you believe.

Presentation of Appreciation Plaques for Councilors Fred Brick and Mike Vaughan

Mayor Shoji presented Fred Brick and Mike Vaughan with appreciation of service plaques. Mayor Shoji stated Councilor Mike Vaughan filled an unexpired term on the City Council from June 2011

City Council Minutes – November 1 ,2016

through November 2012 and was then re-elected for a four-year term ending November 2016; Councilor Vaughan stated it was about his ability to judge and determine what was available and options; expressed appreciation for his opportunity to serve the community. Mayor Shoji stated Councilor Brick served from November 2014 to November 2016 as a City Councilor; Councilor Brick expressed thanks for the opportunity to serve; stated serving on the Council was a wonderful opportunity for him to learn the process, noting it helped him to pass along information to students; stated he was working with the Associated Student Government at Southwestern Oregon Community College (SOCC) to put together a candidates forum scheduled for 7 p.m. on November 2, 2016 in Performing Art Center. The first hour would be the Mayoral candidates and the second hour would be Coos Bay City Council candidates; expressed thanks to his wife and kids putting up with him not being around as much due to his community involvement, and encouraged everyone to keep a sense of humor and laugh more.

City Attorney's Report

No comments were given.

City Manager's Report

City Manager Rodger Craddock wished everyone best of luck in the upcoming election.

Council Comments

Councilor Daily highlighted the success of the downtown trick-or-treat event.

Adjourn

There being no further business to come before the Council, Mayor Shoji adjourned the meeting. The next regular Council meeting was scheduled for November 15, 2016 in the Council Chambers at City Hall.



Joe Benetti, Mayor

Attest:



Susanne Baker, City Recorder