

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

December 6, 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 Joe Benetti and Councilors Lucinda DiNovo, Drew Farmer, Jennifer Groth, Stephanie Kilmer, Stephanie Kramer, and Phil Marler. City staff present were City Manager Rodger Craddock, City Attorney Nate McClintock, Finance Director Susanne Baker, Planning Administrator Tom Dixon, Public Works Director Jim Hossley, and Police Chief Gary McCullough.

Flag Salute

Mayor Benetti opened the meeting and asked Al Petit to lead the Council and assembly in the salute to the flag.

Public Comments

Al Petit, Coos Bay: Expressed concerns on increased transient and related criminal activity. Police Chief McCullough stated issues were handled on a case by case basis; the county jail was not able to retain individuals with lesser charges due to a personnel issue the County had in employing jail deputies. Councilor DiNovo suggested spearheading a group to collaborate with the local shelters. Gino Landrum, Coos Bay: Commented on the constitutional rights of the homeless. Rob Taylor, Bandon: Stated Portland provided the homeless with bus tickets to the coast; stated the constitution provided protection of individual property rights; was against stop and frisk by the police. Stephanie Eaton, Coos Bay: Stated the marijuana tax should not be allocated to the General Fund; the homeless were held accountable; recommended providing an area for the homeless to live; stated she came to Oregon to legally use marijuana.

Consent Calendar

Mayor Benetti reviewed the consent calendar which consisted of 3a: approval of the minutes of November 15 and 22, 2016, and; 3b: adoption of resolution 16-24 accepting the 2016 general election official canvass of votes. Councilor Groth moved to approve the consent calendar approving the minutes of November 15 and 22, 2016 and adopting resolution 16-24 accepting the 2016 general election official canvass of votes. Councilor DiNovo seconded the motion which carried with Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler voting aye.

New Council Business

No new council business was presented.

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Presentation on the City Audit for Fiscal Year Ending 2016 by Auditor Tara Kamp

Finance Director Susanne Baker stated Pauly, Rogers and Co., P.C. were retained to perform audit services for the City of Coos Bay; explained the audit process stating both the City and Urban Renewal Agency were issued an unmodified opinion. Tara Kamp of Pauly, Rogers and Co., P.C. presented the Communications To The Governing Body For the Year Ended June 30, 2016 via speaker phone. The first component of the audit was of the financial statements to verify compliance with generally accepted accounting principles, the second part of the audit was to ensure compliance with Oregon Municipal Audit Law, compliance with Oregon Budget Law and testing of bids and quotes. The third part of the audit process for FYE16 included a review of federal grant awards and expenditures with no exceptions noted.

Ms. Kamp commended the Finance Department noting they were a leader in the industry with their use of technology for business processes and efficiency and often referred other clients to call the City of Coos Bay. Ms. Kamp noted the Statement of Auditing Standards 114 (SAS 114) required communication with management of the results of the audit; “no management comments”; and stated based upon the audit and testing, financial statements were fairly presented, there were no difficulties in performing the audit, no disagreements with management or the accounting, and adjusting entries were completed together with staff. Councilor Kilmer moved to accept the FYE16 City audit report in compliance with SAS 114. Councilor Kramer seconded the motion which carried with Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler voting aye.

Public Hearing to Consider a Moratorium on Siting Marijuana Processing Businesses Within the City Limits and Amending City Business Licenses – Approval Would Require Enactment of the Proposed Ordinance and Adoption of Resolution 16-25

City Manager Rodger Craddock stated staff was seeking Council direction on two different topics:

1. Should the City implement land use restrictions on the distribution (retail sales) and/or processing of marijuana and related products by the state licensed and/or registered marijuana businesses over and above the State of Oregon’s land use requirements. The imposition of any restrictions would necessitate a moratorium on their use. Staff recommended no further restrictions on marijuana dispensaries but a six-month moratorium on the processing of marijuana related products.
2. Adoption of an amendment to the City business license ordinance as approved by the voters at this past election. The amendment would allow the retail sales of marijuana and related products within the City limits.

Staff recommended allowing dispensaries without new land use restrictions and a six month moratorium on the processing or manufacture of marijuana related products. This would allow the Planning Commission and Council to hold public hearings to gather public input and process a development code text amendment restricting use and/or location. Staff recommended the dispensaries be allowed subject to the State’s rules. The proposed ordinance would be deemed an emergency.

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Mayor Benetti opened the public hearing to take testimony on the proposed ordinance. Gino Landrum, Coos Bay: Suggested areas to expend the marijuana tax. Jim Deatherage, Bandon: Encouraged the Council to pass the ordinance. Rob Taylor, Bandon: Discouraged the use of an emergency clause but encouraged its use for this instance. Stephanie Eaton, Coos Bay: Stated a moratorium would prohibit the processing of brownies, lotion, and concentrated products; and the 1,000-foot distance did not apply to recreational marijuana. Mayor Benetti closed the public hearing.

Councilor Kramer moved to enact the ordinance amending Ordinance No. 103, the City's business license ordinance enacted July 13, 1987 as amended by Ordinances No. 197, 214, and 461 to make changes in the application procedures. Councilor Farmer seconded the motion. Finance Director Susanne Baker read the ordinance by title only and Ordinance 482 was enacted by the following vote:

Aye:	Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler
Nay:	None
Absent:	None

Councilor Kramer moved to adopt Resolution 16-25, placing a moratorium on the processing of marijuana related products within the city limits. Councilor Marler seconded the motion which carried with Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler voting aye.

Public Hearing to Consider Establishing a Tax on the Sale of Marijuana and Marijuana Infused Products – Approval Would Require Enactment of the Proposed Ordinance

Finance Director Susanne Baker stated Resolution 16-19 was adopted by the City Council on July 19, 2016. Staff was directed to place a measure on the November 8, 2016 general election ballot for consideration of a three percent city tax on recreational marijuana retailers' sale of marijuana items. The measure imposed the tax on sales on recreational marijuana items (including marijuana, marijuana products, and marijuana extracts) by retailers licensed by the Oregon Liquor Control Commission (OLCC). Ms. Baker noted the tax would not be imposed on medical marijuana sales and would be collected by the retailer at the point of sale in addition to the state tax (currently 17% for those registered with OLCC).

Ms. Baker stated the measure passed at the general election and was effective 30 days after the election and required enacting an ordinance setting forth the mechanism to collect the tax. The proposed ordinance was modelled after other cities ordinances and recommended by the League of Oregon Cities (LOC) and Oregon Department of Revenue (DOR). Collection of the tax in the ordinance was allowed at the local level or by the DOR after the 2016 state legislative session. This option was supported by the LOC as representing a position of local governments for efficiency, public safety, and banking reasons. To participate, the City of Coos Bay would need to enact the authorizing ordinance and sign an Intergovernmental Agreement (IGA) with the DOR. The State of Oregon would recoup their costs associated with administering the local tax by imposing a 4% fee based on the amount of revenue collected.

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Mayor Benetti opened the public hearing. Rob Taylor, Coos Bay: Stated he had not supported a tax until the marijuana tax and encouraged the tax pay for basic services; suggested the State lower their tax. Gino Landrum, Coos Bay: Stated demand on city services may be more than what the 3% would provide. Stephanie Eaton, Coos Bay: Provided information on where the state tax would be allocated. Mayor Benetti closed the public hearing.

Councilor Kramer moved to enact the ordinance repealing Ordinance No. 464, establishing a tax on the sale of marijuana and marijuana-infused products in the City of Coos Bay and authorized the City Manager to sign the IGA with DOR. Councilor Kilmer seconded the motion. Finance Director Susanne Baker read the ordinance by title only and Ordinance 483 was enacted by the following vote:

Aye:	Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler
Nay:	None
Absent:	None

Approval of Appointment to Council Committees

City Manager Rodger Craddock stated during the November 22nd Council work-session, the Council reviewed and discussed the existing City, intergovernmental, other governmental and community boards, commissions, and committees. During the review of the City created boards, commissions, and committees, there was a consensus that the following committees should be dissolved and committee related topics would be reviewed during the bi-weekly Council/URA work sessions: Council Promotions Committee, Council Finance Committee, Council Charter / Rules Advisory Committee, Council Wastewater Committee, and the City Logo Advisory Committee. City Manager Craddock also reviewed the Council assignments for the various board, commission, and committees. Councilor Groth moved to approve the list of board, commission, and committee appointments as presented. Councilor Kilmer seconded the motion which carried with Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler voting aye.

Approval of the Amendment to the Construction Manager General Contractor Contract for Wastewater Treatment Plant No. 2

Public Works Director Jim Hossley stated on November 15, 2016 the City Council voted to move forward with the Department of Environmental Quality (DEQ) approved sequencing batch reactor (SBR) project. The next step was to approve addendum 2 to the zero cost contract authorizing Mortenson to proceed with the construction of the remainder of the wastewater treatment plant no. 2 (WWTP2) project and authorize the necessary expenditure to construct the project. The work under Addendum 2 included construction of the WWTP2 DEQ approved SBR facility, installation of the sludge pipeline between WWTP2 and WWTP1, and the demolition of the existing WWTP2. Funds would come from the Oregon DEQ state revolving fund (SRF) loan the City Council previously accepted. With Addendum 2, the guaranteed maximum price for the Mortenson contract was \$24,531,820.

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Councilor Groth confirmed the original estimate was \$26 million wherein Mr. Hossley stated yes however the guaranteed maximum price was less. Councilor Kramer asked if there would still be fines from DEQ wherein Mr. Hossley stated it was not certain and under discussion.

Councilor Groth moved to approve addendum 2 of the Mortenson Construction contract authorizing Mortenson to proceed with the construction of the remainder of the WWTP2 project and authorizing the necessary expenditure to construct the project for a guaranteed maximum price of \$24,531,820. Councilor DiNovo seconded the motion which carried with Mayor Benetti and Councilors DiNovo, Farmer, Groth, Kilmer, Kramer, and Marler voting aye.

City Attorney's Report

No comments were given.

City Manager's Report

City Manager Rodger Craddock stated Marshfield High School Key Club contacted the City with an interest in representatives attending Council meetings to encourage youth participation in government; provided a list of committee openings advertised for public participation; stated he would be attending a land use planning training at the end of the week and reminded the Council of the upcoming newly elected boot camp; discussed the tree lighting ceremony; and commented on the success of the sock collection for the homeless.

Council Comments

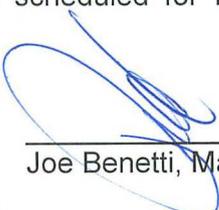
Councilor Kilmer congratulated Coos Bay on the amount of donations for the Bus Jam and winning the trophy; and reported a successful kick-off of the shop local downtown. Councilor Marler encouraged the public to apply for the budget committee and learn of the limited resources. Councilor DiNovo commended the Star of Hope and city staff in the tree lighting ceremony. Councilor Farmer credited the police force with successfully resolution of a situation on the city docks recently and provided information on mental health resources in the bay area. Councilor Kramer stated she looked forward to working with the new Council. Mayor Benetti stated both tree lighting ceremonies were great, the Egyptian Theatre attendance of Elf was good, the homeless sock collection was wonderful, and encouraged the community to participate in community events; and reminded of the upcoming Council work session.

Adjourn

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

Attest:


Susanne Baker, City Recorder



Joe Benetti, Mayor